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A SHORT HISTORY OF LABOUR CONDITIONS UNDER INDUSTRIAL CAPITALISM

VOLUME ONE, PART 2

THE BRITISH EMPIRE 1800 TO THE PRESENT DAY

by

JÜRGEN KUCZYNSKI
Ph.D., F.S.S.

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TO

THE MEMBERS OF THE ACADEMY OF SCIENCES OF THE

U.S.S.R.

WHO SET AN EXAMPLE TO THE SCIENTISTS OF ALL OTHER COUNTRIES BY THEIR DETERMINED FIGHT AGAINST REACTION AND BY THEIR DEVOTED SERVICE TO PROGRESS.

"For India 1943 was a year of conflicting experiences: practically universal financial prosperity on the one hand and a distressing shortage of foodstuffs in certain parts of the country on the other."

MR. R. LANGFORD JAMES, *Chairman, The National Bank of India Ltd. Statement at the ordinary general meeting of the shareholders of the National Bank of India Ltd., London, May 2, 1944.*

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PREFACE TO THE SECOND EDITION

When I wrote the original manuscript of this short history of labour conditions in the Dominions and India, with a few notes on conditions in the Colonial Empire, I hoped that it would call forth much and detailed criticism as well as some studies of various aspects of labour conditions in these countries. I expected therefore that the second edition of this volume would take into account these new studies as well as the numerous government investigations which often follow the conclusion of a war. I thought also that possibly the studies by R. R. Kuczynski on demographic problems in the British colonies would be available in print and enable me to split up the history of Empire labour conditions into two parts, the one dealing with the Dominions, and the other dealing with India and the Colonial Empire.

None of these expectations have been fulfilled, partly because the war has only just been concluded and partly because of the rapid sale of the first edition and the welcome willingness of my publishers to bring out a second.

Consequently, apart from a few corrections—none of them involving changes in figures—I have left the main body of the book as it was.

But though the amount of material on the history of labour conditions at our disposal has not increased materially recently, actual events have made it necessary to add a somewhat lengthy introduction to the new edition, and to add a new chapter, dealing with war-time developments of labour conditions.

The new introduction deals with some recent tendencies in the development of the Empire which merit careful study. While the comments of some critics made it necessary to add to the first part of this history (dealing with conditions in Britain) a new introduction, devoted to a more detailed description of the theory of absolute deterioration, evolved by Karl Marx about one hundred years ago, some recent developments in Empire policy and the increasing rôle of the United States in world politics and world economy, make it advisable to deal in an introduction to the present volume with some theoretical and political questions of Empire development which have come to the foreground only very recently. There is no new theory to be presented, and the tendencies we observe are still too vague even to say with cer-

tainty that they represent definite economic and political plans of the representatives of reaction. Yet their appearance raises a number of questions, the implications of which should be studied; and that is the task of this introduction. It is merely a cautious admonition to watch out for the possibility of certain developments representing some change from the pre-war status, and no more.

The additional chapter deals with war-time developments of labour conditions in the Empire. Although it is much too early to draw a balance, the war, after all, has lasted for over five years, and during all these years many millions of workers have, naturally, experienced considerable changes in their standards of living and working. India has had a terrible famine, unemployment has disappeared from the Dominions, the mobility of labour has been restricted to a considerable extent, some rationing has been introduced, the movement of wages has been sometimes directed from a central authority, and prices have been regulated or at least manipulated. These and many other factors, known also very well here in Britain, have had a considerable influence upon the living and working conditions of wage earners in the Empire. They deserve at least a cursory description so that the reader can get a rough picture of what has happened to Empire labour during the war.

With the conclusion of our war against German Fascism and aggression, our interest naturally turns also to post-war problems. And for British labour one of these problems will be its relation to the aspirations of the peoples of the Empire and its attitude towards the policy pursued by British monopoly capitalism with regard to their aspirations. To formulate a progressive policy requires first of all a careful study of the situation, of the facts and tendencies. I hope that this book, especially with the additions to the second edition, will be of help to the progressive forces of Britain and the Empire in evolving a policy which corresponds to the interests of humanity as a whole—on behalf of which we have been fighting German Fascism, and for which we shall have to fight the vested interests wherever, and for as long as, they exist.

JÜRGEN KUCZYNSKI

LONDON
May 9th, 1945.

INTRODUCTION TO THE SECOND EDITION

THE effect of the first world war on conditions in the British Empire was not inconsiderable. Industry in the Dominions was strengthened markedly, although it would be wrong to say that the Dominions became industrially independent, as most of the countries in Western Europe were.

Of course, the Dominions will probably never be independent as are the United States or the Soviet Union: disposing of rich resources in raw materials and manufacturing large varieties of goods. However, they could develop not only substantial consumption goods industries, but also an important heavy industry. This development did not take place during the last war, the start made in this direction being largely abandoned during the following years. The only exception to this rule was Canada, which became partially independent economically of Britain when she exchanged her complete dependence upon the mother country for a partial dependence only, coupled with partial dependence upon the United States.

India, where the industrial development made considerable strides during the last war, continued in this direction in the post-war years. But the new industries introduced there were never such as to form a complete industrial organism. While the cotton industry grew rapidly, production of cotton textile machinery was practically non-existent. While pig iron production rose, the manufacture of steel products remained on an extremely low level. Thus, the industrial pattern of India had so many gaps that it could be held together only by imports from other countries, chiefly Britain. In the Colonial Empire practically no manufacturing industry was developed during 1914–18 so that during the post-war years there was almost nothing to be destroyed.

We can sum up as follows, therefore, for the period from 1914 to 1939: With the exception of Canada, which came more and more under American economic domination, the Empire showed only a relatively slow advance towards a healthy and indepen-

dent economic status. The small beginnings towards the creation of a heavy industry in the Dominions were largely suppressed after the war. In India, where industrial development was rapid—though extremely small as compared with the potentialities of the country—it was so uneven as to keep her in complete economic bondage. In the Colonial Empire the war and the post-war years brought practically no change at all.

While it is too early to draw any conclusions from the development of industrial conditions during the present war, it is necessary to give attention and thought to the possibilities which the developments of the last five years have opened up, and to certain tendencies of British imperial planning which can already be discerned to-day. The situation should be clarified as soon as possible, as the progressive forces within the Empire can plan and act only when they understand the various trends and tendencies prevailing. And, as far as this study is concerned, the conditions of labour, the forms of exploitation and the fight against them are closely connected with the general trend of economic development in the Dominions and colonies.

Just as we have for the preceding decades, we shall have to distinguish three groups of countries within the Empire: the Dominions, almost wholly or to a considerable part settled by whites; India; and finally the Colonial Empire with a small number of whites, almost wholly populated by coloured people. All three sections have developed along different lines in the past, and will continue to do so if control by monopoly capitalism prevails in Britain. Let us now study in more detail the development of these three groups during the present war.

1. Economic Changes in the Dominions

The only Dominion showing a somewhat exceptional development during the last thirty years has been Canada. Canada is on the way to develop her economy as an organic entity. Both heavy industrial and consumption goods plants have sprung up all over the country. Machine building has not been one of the "forbidden trades," nor do we find important goods finally assembled in Canada while the individual parts were produced somewhere else. It is very probable that this healthier develop-

ment was connected with Anglo-American rivalry in Canada.*

One important change which the war has brought about is that the United States are beginning to take an increasing share in the economic life of the Dominions. Just as in 1913 the share of American capital in Canadian investments, while not negligible, was insufficient to make itself felt in the pattern of Canadian industrial development, so the share of American capital in the economy of Australia, New Zealand and South Africa was small and without influence upon the peculiarities of their economic development before 1940. But just as American investments in Canada rose during the last war so quickly that by 1922 they had surpassed those of Britain, we find that, during the present war, the influence of the United States upon the economic development of the other British Dominions is growing rapidly. And just as the geographic location of Canada made it advisable for American monopoly capitalism to maintain and strengthen its position in Canada after 1918, so the strategic location of Australia and New Zealand in the Pacific, and of South Africa in relation to South America as well as to the Middle East, will probably induce American monopoly capitalism to try to increase its economic hold upon these countries after the present war.

The interest of American capital in Canada was largely determined by the fact that that Dominion had many raw materials required by the United States and also constituted a good market for American goods. It is just conceivable that even under such conditions Canada might have remained only partially developed industrially, that is, a country without a machine-building industry, not able to produce goods all the way from the raw material to the completed article. The reason why Canada developed was probably that the "native capitalists" could play the United States and Great Britain one against the other.

The interest of the United States in Australia is of a somewhat different nature, and the same holds true of New Zealand. The experiences of this war have caused these countries to be regarded as the strategic hinterland for American domination of the Pacific. Such a hinterland should be able not only to form a military basis but also to produce the weapons it needs. For this

* See pp. 55–56 of this book.

reason the United States may be interested in preserving and enlarging the heavy industry laid down during the war in these two Dominions.

Britain has always sought to impede the development of heavy industry, but the United States will probably try to further it. British monopoly capitalism is more interested in the purely imperial aspects, to maintain its monopolist strangle-hold on the Empire's industry, while America views the situation more from a military-economic point of view.

Both Britain and the United States, however, are interested in promoting the food processing industries in Australia and New Zealand. The canning and food preserving industries have made considerable technical progress during the war, and it is very probable that this will be further employed in these two Dominions, contributing to a strengthening of this already important industry. The rapid growth of textile production in these Dominions during the war will probably continue, as there are no effective means in the hands of the British textile interests to check it.

It would seem probable, therefore, that the rapid growth of industry during the war in Australia and New Zealand, and its healthy development—healthy, that is, from an organic-technical point of view—will not only be maintained but probably intensified in post-war years.

In South Africa the tendencies we have just described as prevailing in Australia and New Zealand are not so strong. American interests in South Africa are less substantial. The artificially maintained backwardness of the African natives impedes rapid industrial development. The influence of monopoly capital upon general economic development is more concentrated. These and many other factors tend to slow down the process which we observed in the other two Dominions mentioned, and one cannot assert with the same degree of confidence, that the changes brought about by the war will be of a more lasting nature, nor that the situation after this war will be in this respect very different from that after the last, as far as the structure of South African industry is concerned.

2. The Indian Situation

India has a considerable industry, yet the country is but very little industrialized. This seeming contradiction merely means that, even if India had as powerful an industrial apparatus as Great Britain she would, in relation to her population, only have reached about one-tenth of the degree of British industrialization. Moreover, her industry is a disconnected agglomeration of production units, without the basis of a strong iron, steel and machine-building industry.

The war has given to Indian industry an impetus, though not so great a one as the last war. The chief reason for this is the political deadlock caused by British imperialism. The growing opposition between the people of India, including large sections of the Indian bourgeoisie, and British monopoly capitalism has in recent years not only led to a retardation of the "usual war conditioned" growth of industry, but even to a standstill and in some cases a decline. The political contradictions have become such that unevenness can now be observed, not just in the growth and development of industry, but in its decline and retrogression. On the other hand, the growing determination to become politically and economically independent from Britain finds expression not only in the political day-to-day struggle of the Indian people, but also in documents such as the long range Tata Plan of economic development.*

When we remember what stimulus was given by the last war to the growth of industry, the significance of the stagnation in recent years is very great. If present conditions were to continue it would not be surprising if Indian economy came out of this war with a structure not very different from that of 1919, though on a basis broadened and somewhat changed through the developments of from 1919 to 1939.

American finance capital has not been successful in making its influence felt in India. True, it is somewhat greater than before the war—but it was so small in 1939 that even a considerable increase does not mean much. The little that has become known of American methods of penetration indicates that it does not follow the methods of British capital: to maintain

* Published as Penguin Special Series 148.

gaps in the structure of Indian industry so that it cannot become an organic whole. This is done through making the growth of a machine-building industry impossible, or by allowing the assembly of parts only, while making the production of these parts in India itself impossible, or by various other methods.

While these facts indicate that no fundamental change has so far occurred in the economic development of India, or in the methods of her exploitation by Britain, there is one point which cannot be ignored altogether, although it has not yet assumed primary importance. It seems that British capitalism is interested in training a small skilled Indian labour force. In India an increasing number of Indians are being trained as skilled engineering workers, and some are also being brought over to Britain where they receive training. It is difficult at present to assess the importance of this. Perhaps they are intended to serve as the nucleus of a servile labour aristocracy. Perhaps, supported by such a labour aristocracy, the British monopolists intend somewhat to modify their industrial policy in India, and to establish there a bigger heavy industry, whose function it will be to provide arms for use in the Far East and the Pacific. On the other hand, their measure gives to progressive Indians an opportunity to become technically trained leaders of industry in their own country.

If the former be the case, we shall have discovered the highly interesting fact that military considerations can over-ride a fundamental principle of British colonial policy, that of keeping secondary heavy industries in the motherland and denying to the colonies the growth of a sound industrial basis for their economic life. Such a modification of colonial policy would take place partly because of the existence of a normally grown native aggressively competitive industrial power, such as Japan, partly because of the competition of a rival white monopolist power, such as, for instance, the United States.

While it would be wrong to say that, under present monopoly capitalist conditions, such a development is inevitable or even probable, it would be equally wrong to regard it as impossible. There are some indications of such a development, as for instance the training of a certain number of industrial workers for more

skilled work. There is a certain basis for such development in the changes brought about in Indian industry by the war—not only in the production of armaments, for instance, but also in shipbuilding. The outlines of such a change of policy are still extremely vague, and they may disappear again after the war. But they may also become more distinct, reflecting actual developments.

3. The Situation in the Colonial Empire

At first sight, changes in the Colonial Empire seem to have been much fewer than in the Dominions and in India. If we exclude mining, the Colonial Empire, mainly in Africa, was without any real industrial basis before the war; and since the war began there has been nothing one could refer to as the foundations of industrial development. The West Indian areas of the Colonial Empire have been to a certain extent influenced by the ceding of military bases to the United States. But as far as population and economic resources are concerned, they are of small importance as compared with Africa, and we shall deal here only with the African colonies. Yet it would be wrong not to mention here the West Indies Conference of March, 1944, which represents an advance towards more democratic control.

Although there has been almost no change in the African colonies as far as industrialization is concerned, there are certain other changes which are of the greatest significance in British colonial policy. Firstly, the war in the Middle East has led to a certain organized and planned use of the agricultural and mining resources of the African colonies as a whole. This does not exclude cumbersome accumulation of stocks and the possible destruction of certain agricultural products, nor a greater degree of hardship among many Africans, for instance through the introduction of the direct forced labour system. It does not exclude dangerous financial developments, such as inflation, nor even economic regression in certain parts of the colonies. But it does mean that, for the first time in British colonial history, the African colonies are being considered as a whole, that the conception of an African Empire begins to take shape. Until the war there were merely

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the separate colonies, even if some unification of territories took place or was advocated. But the idea of an African Empire was not conceived, nor did it find expression in any political, military, economic or other measures. This has been altered since the war began, and this is of the greatest importance. It is all the more important if one keeps in mind that the former Italian colonies are under British administration, that Britain's influence in Ethiopia is larger than that of any other great power, that Britain's influence in those parts of Asia Minor which were under French domination (Syria and Lebanon) has recently grown considerably, that British influence in the Belgian Congo is great to-day, and finally that American capital is trying to start a pincer movement upon Africa from the West via Morocco and Algiers and from the East via Saudi Arabia.

But this new conception of Africa as a Colonial Empire in itself, just as India is an Indian Empire, is only one aspect of the newer British colonial conception. Another is of probably equal importance. There is not the slightest doubt that in recent years British interest in the man-power of this African Empire has increased considerably. The appallingly low standard of health and, therefore, also of the working capacity of the population, the sore lack of educational facilities, the amazing ignorance of the Colonial Office—and, therefore, of course, of all of us—with regard to demographic facts, including even the size of the population in the various colonies, have for the first time successfully claimed some attention. Even just before the war, various nutritional and health surveys were made in the Colonial Empire.* To these now have been added, or are being planned, surveys of the state of education. A considerable progressive, quasi-progressive and semi-official literature on the African colonies is being published. Question time in the House of Commons often produces a considerable and increasing number of inquiries about general and detailed problems of the African colonies. More and more frequently this literature and the parliamentary questions deal with labour problems or problems connected with the general state of health or education of the Africans.

It may be claimed, of course, that, although this interest is

* See pp. 165–177 of this book.

genuine when shown by progressive people, it is purely simulation when emanating from official and semi-official sources. On the other hand, it would be advisable to watch out carefully for any corresponding changes in official plans (and some seem to be already in the process of partial, actual realization), because they may have an important bearing on colonial policy, especially with regard to labour. For the situation at present is as follows:

Health and general labour conditions are such that in spite of a high fertility rate the population in many African colonies grows only slowly or even declines. In contrast to India, the population of Africa is very small and a decline, stagnation or very slow growth will certainly impede the development of an African Empire.

Furthermore, because of poor health and nutrition the working capacity of the individual worker is extremely low. Now if there exists in a colony a great number of people (as in India), the working capacity of the individual worker is, from the capitalist point of view, not so highly important. If, on the other hand, a colony is under-populated, from the point of view of capitalist Empire builders, intent, for whatever reasons, to increase production, health conditions and the physical strength of the individual worker begin to count in the opinion of those who wish to profit by his labour. If Australia, Canada or New Zealand had not been settled by whites they would never have reached their present stage of industrial development—not only because of the principles of exploitation applied by Britain to colonial development, but also because only people living on the higher white standard can, if they are so few, advance rapidly in economic development.

If, then, Britain intends to build up an African Empire, based on a higher level of economic development than at present, and if this is to be done without materially changing the relation between the number of whites and Africans, she will be forced to take measures to enhance the physical energies of the Africans. Their health must be improved in order that they may endure more intensive labour. Also, the educational standard of at least part of the workers must be raised in order to enable them to handle machines, etc. The capitalists will be faced with problems similar

to those with which they had to cope in the thirties of the last century in Britain.

At that time it became impossible to increase the rate of profit without increasing productivity per worker, which could only be done by intensifying the working process. This involved the more widespread introduction of machinery. But it was useless to introduce more machinery without building up the worker's health, in order to enable him to stand the increased strain, and improving his educational standard in order to enable him properly to operate the machines. Thus, the standard of living was improved—real wages, for the first time in half a century, began to rise—and the working day was shortened so that the worker could have more repose.

A somewhat similar development would have to take place in Africa, should British monopoly capitalism try to build up an African Empire on the basis of the present small working population. But, just as the standard of living as a whole in Britain in the forties and following decades was not improved—in spite of the improvements of certain aspects—so the standard of living of the African natives would not necessarily improve—although their life would run its course on a higher level of civilization, facilitating their final delivery from the yoke of oppression.

It is too early yet to say that such a development will take place on a large scale. But it is not too early to point out that there are some tendencies which point in this direction. And it is obvious that if such a development were to take place, it would mean a revolution in the conditions of exploitation on the African Continent. It would, in fact, inaugurate a new phase in the history of colonial exploitation—without implying a tendency towards de-colonization, and yet, at the same time, giving a strong impetus to the liberation movement.

One further point should be considered in this connection. The question may arise whether the African Empire will necessarily be one in which industry plays a great role. While it is impossible to say whether on the basis of the raw materials available it will be regarded as practicable by British capitalism to build up an important industrial organism, one can say with certainty that, even if no large-scale industry be developed, the introduc-

tion of rational agricultural methods would also require a change in the methods of exploitation as indicated above. The introduction of the machine into agriculture (tractors, cotton picking machines, etc.) demands in certain respects similar changes of exploitation as the introduction of modern manufacturing industry. The new African Empire would have to be based, therefore, on the new conditions of labour indicated above, whether it be an Empire with a considerable (though unorganically developed) industry, or one applying the modern methods of mass agricultural production. In both cases certain standards of labour and education are required from the workers.

4. Imperialist Monopoly-Capitalist Policy or Progressive Policy

In the preceding pages I have given some indications of a possible post-war development of the general economic structure of the British Dominions, India and the Colonial Empire. They are indications of a possible development—initiated already to-day by the monopolist imperialist forces still determining British policy in the Empire. These tendencies have been described in an article in the Soviet Trade Union Journal, *War and Working Class*, April 1, 1944, by K. Hoffmann as follows:

"With all their interest in general victory over Hitler-Germany and its bloc, the monopoly groups are each striving for control over world markets and sources of raw materials and for a dominating influence over international trade. To them the war and victory mean first and foremost the strengthening of the power of their cartels."

As these monopolist forces and tendencies hold to-day almost unimpeded sway over Colonial and Indian policy—in contrast to home policy as well as general international policy (compare their position in British home policy, for instance, and in Indian policy!)—it is absolutely necessary to investigate the present and possibly future policy of monopoly capitalism in India and the Colonies.

Any analysis of British and American monopolists' possible plans or adoption of modified methods of exploitation, and changes in the structure of the Empire, resulting from such plans

and changes, does not imply that the monopolists will be able to realize them. It will be the task of the progressive forces in the Dominions, India and the Colonies, and especially also in Great Britain, to ensure that these plans are not realized, or rather that some of them are realized in such a way that the people will benefit from them. For in their present form they do not correspond to the aims of this, our just war against Fascism, as laid down in the Atlantic Charter and the decisions of the Teheran Conference, and cherished in the hearts of the common people of all countries, whether white or coloured.

But if the progressive forces wish to succeed with their programme, if the people of the world are to live as free men, without racial, economic or political discrimination, then they must know in advance the plans of the vested interests, the monopolists and imperialists. It was the purpose of the foregoing pages not to predict any specific development, but to indicate certain tendencies in the policy of the imperialists and to call attention to certain changes in policy which they might want to introduce. This should aid the progressive forces in their fight for a better life for all peoples of the British Empire, as also for the peoples of Europe and of the whole world.

CHAPTER I

LABOUR CONDITIONS IN INDIA

The history of the economic domination of India by Britain can be divided into three periods. In the first period profits were made through trade and plunder and the levying of tributes, though sometimes it is difficult to differentiate between the first two methods; often they were intertwined—business being concluded under the threat of the use of force. A perfect example of what was happening in this period, during which the East India Company was supreme, is described in a Memorandum of the Nawab of Bengal to the English Governor, May 1762:*

"They (the East India Company's agents—J. K.) forcibly take away the goods and commodities of the ryots (peasants), merchants, etc., for a fourth part of their value; and by ways of violence and oppression they oblige the ryots, etc., to give five rupees for goods which are worth but one rupee."

Large profits were made by buying goods from India considerably below their value and selling goods to India considerably above their value. The profits and spoils resulting from this kind of trade were enormous, and the agents of the company, as well as its shareholders, made fortunes out of it. Clive, for instance, returned home from India with a fortune of £250,000 and an Indian estate bringing in £27,000 a year.

With the "industrial revolution" in Britain a change came over the methods by which profits were made. In Britain, industrial capital gained supremacy over merchant capital. While merchant capital, represented by the East India Company, enjoying a trade monopoly, tried to get out of India as many goods at as low a price as possible in order to sell them at a high price in the rest of the world, industrial capital was chiefly interested in getting as many goods at as high a price as possible into India—goods, of course, which industrial capital had

* Quoted from R. Palme Dutt, *India To-day*, p. 110.

produced in Britain. Such a change of methods is, of course, not an abrupt one, and while we find very definite traces of the second method in the eighteenth and in the beginning of the nineteenth centuries, we can still find examples of the first method to-day.

The first and chief task of British industrial capitalism, therefore, was to destroy the production of non-agricultural commodities in India. For such destruction would help to increase the sale of British-produced goods. Up to the end of the eighteenth century Indian textile producers sent great quantities of their goods to Britain—that is, they were taken from them at very low prices. But with the transfer of economic supremacy from merchant to industrial capital the amount of Indian cotton piece goods imported into Britain fell rapidly—during the years from 1814 to 1835 it declined from one and a quarter million pieces to three hundred thousand. During the same period, on the other hand, the quantity of British cotton manufactures exported to India increased by more than fifty times, from less than one to over fifty million yards.* Within half a century the backbone of India's production of non-agricultural goods was broken. Within a century India, which at the end of the century was probably the greatest producer in the whole world of non-agricultural commodities, of textiles and public buildings, of handicraft articles and works of art, became a backward agricultural country. British industrial capitalism had realized its aim, which was to make of India an agricultural hinterland, supplying Britain with raw materials and buying her finished manufactured products.†

* Cf. Report from the Select Committee on East India, July 1840, p. 580.

† Looking back over the industrial history of India Dr. Pramathanath Banerjea says in his book, *A Study of Indian Economics* (5th. ed., p. 80): "At the present moment India is backward in the matter of manufacturing industries. But there was a time when she was one of the chief manufacturing countries of the world. Even as late as the eighteenth century, she was on par with Europe in industrial matters, and her manufactures found a ready market in many foreign countries."—H. H. Wilson in his *History of India* (vol. i, pp. 538–39, note) writes: ". . . the mills of Paisley and Manchester . . . were created by the sacrifice of Indian manufacture." Expressing (and approving) the attitude of British capitalism towards India during the last hundred years Sir Patrick Playfair, on the occasion of the Annual Dinner of the London Chamber of Commerce, 1912, said: "India must be in the main an agricultural country raising crops in great quantities and of great value" (Quoted by Dr. Banerjea, l.c. p. 109).

British capitalism could only succeed in this by laying the groundwork, to some extent, of a modern economic society in India, and by breaking the domination of Indian economic life by the so-called feudal class which was all-powerful a hundred years ago. Objectively, this was in a certain way a progressive development, for the old Indian social order could not have developed those tendencies—or at least could not have so quickly developed them—which to-day foreshadow the advent of a progressive society which will find its full expression in a free India in which the people are their own masters. Asiatic methods of production and the Asiatic social hierarchy were partially destroyed and to a large extent incorporated as "junior partners" or transformed into instruments of British capitalism.

At the same time, railroads were built all over the country. The new ruling class, the British capitalists, took the place of the native overlords as supreme masters, and its agents transported themselves and the commodities which they sent over to Britain, by modern methods.

In the article, entitled "The Future Results of British Rule in India," which Marx wrote for the *New York Daily Tribune* (August 8, 1853), he explains:

"I know that the English millocracy intend to endow India with railways with the exclusive view of extracting at diminished expenses the cotton and other raw materials for their manufacturers. But . . . you cannot maintain a net of railways over an immense country without introducing all those industrial processes necessary to meet the immediate and current wants of railway locomotion, and out of which there must grow the application of machinery to those branches of industry not immediately connected with the railways. The railway system will therefore become in India truly the forerunner of modern industry."

At the same time:

"Modern industry, resulting from the railway system, will dissolve the hereditary divisions of labour, upon which rest the Indian castes, those decisive impediments to Indian progress and Indian power."

The third period of Indian history under British capitalism coincides with the period of monopolism, of finance capital, of

capitalism in decay. Profit-making by finance-capitalist methods is quickly coming to the forefront. The peculiar trading methods, developed during the period of the supremacy of merchant capital are to a certain extent still being used as a subsidiary method of making profits. The import of British manufactures still plays a great rôle—though the British share in Indian imports has fallen from about 80 per cent in the eighteen-eighties to less than 40 per cent in the thirties of the present century. Yet, the principal method used of making profits is to levy tribute for the purpose of enabling the coupon-snipper to get his interest. Before the outbreak of the present world war, profits from over half of the investments in India were drawn through loan arrangements. If we estimate British investments in India at about seven hundred million pounds, 57 per cent, or about four hundred million pounds were invested in Government and railway loans. This method was employed to an increasing degree during the second half of the nineteenth century. Increasing tributes were levied on India, increasing profits were made through export trade; and then this profit and tribute was re-invested in India at a good interest rate, thus charging the country double, once by tribute and trade, and again through interest payments on the re-invested part of the tribute and profits. But only in the twentieth century under finance-capitalism did this method of profit-making become the dominant one.*

The destruction of Indian non-agricultural production during the nineteenth century drove millions of Indians out of their occupations and forced them to turn to the land. A hundred years ago probably only about half of the population of India was engaged in agricultural work, but the percentage at the turn of the century had reached two-thirds and to-day it is nearly three-quarters of the total population.† Forcing the industrial population into agriculture in a country where conditions on the land for the masses of the people always were poor has contributed to the permanent agricultural crisis which we find in India since many decades. The chief causes of this crisis are the pressure of the population, driven from other, non-agricultural, pursuits into agriculture, the low level

* Cf. R. P. Dutt, *India To-day*, p. 135. † Cf. Census of India.

of agricultural production methods which British rule has done extremely little to improve, and the growing indebtedness of the peasants which is carried on from generation to generation. All this has led, on the one hand, to an enormous widening of the abyss between the large and the small landholders, and, on the other, to the creation of a large landless proletariat, amounting to one-third to one-half of the agricultural population. The process of the creation of this agricultural proletariat is both a cruel and simple process. This proletariat consists partly of handicraftsmen and other producers of non-agricultural products who have been robbed of their jobs and who returned to the land in order to earn their living somehow. Partly it consists of small peasants who, overburdened with debts and mortgages, and obliged to pay the tributes levied on them by their native and foreign masters, had to give up their small holdings. Already, before they had to give them up, they often held them only as unprotected tenants, overburdened by ever-increasing taxes and payments to the landlords and intermediary agents.

While British capitalism succeeded without any important inherent difficulties in creating an agricultural proletariat, the creation of an industrial proletariat presents two important contradictions in the policy of the so-called mother country, inherent in capitalism. During the nineteenth century we can observe two tendencies: the tendency to destroy all Indian production of non-agricultural products, except perhaps mining—the only industrial form of gaining raw materials which does not require the general industrialization of a country. At the same time, as Marx remarked, there is a tendency towards industrialization necessarily connected with certain methods and means of exploitation by industrial capital, as, for instance, the railways.

Of the two tendencies, the first, the destructive one, was on the whole the more successful. About 1900, Indian industry was reduced to such a state that the industrial population of India formed a very small minority. The numbers employed in modern industries were as follows (by modern industries we understand factories, for instance, and not small workshops, etc.):

Factories	..	..	..	..	about 500,000
Mines	..	..	..	..	about 100,000
Railways	..	..	..	..	about 350,000

All in all, little more than one million workers were employed in establishments run on industrial capitalist lines.

If we analyse the different industrial occupations and the number of workers engaged in factories employing fifty or more workers we arrive at the following:

NUMBER OF EMPLOYED IN FACTORIES WITH 50 OR MORE WORKERS IN 1901

Indigo Factories	159,000
Textile Factories	86,000
Iron and Brass Foundries	18,000
Rice Mills	13,000
Printing Presses	12,000
Timber Mills	7,000
Tanneries	7,000
Tile Factories	6,000
Breweries	6,000
Lac Factories	5,000
Paper Mills	5,000
Total	324,000
Total *less* Indigo Factories	165,000

Excluding the indigo factories, we find that about half of all workers employed in medium sized and large industrial establishments are textile workers, and that little more than 10 per cent are employed in the iron and steel industries. True, a hundred years before, in Great Britain too, the textile industries were the dominant industries of the country, but iron and steel and the industries of their manufacture did not play so unimportant a rôle. They supplied not only the textile industries of Britain but many other industries in the United Kingdom and on the Continent with the machinery necessary for production, while in India in 1900, no modern industrial machinery for the production of manufactured goods was produced. Even such small modern industry as had been built up in India was composed in such a way as to make it completely dependent upon imports—and that meant imports from Great Britain. There were not even the beginnings of an independent basis for Indian industry, and British capitalism was most careful to see to it that there were no such beginnings.

During the twentieth century the number of workers in

factories, mines and on the railways increased considerably; the number employed industrially in the middle thirties were as follows:

Factories	about	1,600,000
Mines	about	270,000
Railways	about	700,000

If we compare this table with the corresponding one for the turn of the century we see that the number of workers in the factories has about trebled, that in the mines has increased by about two and a half times, and that on the railways has about doubled. The proportion of factory workers has increased.

But what is the composition of the factory workers like? Among the total number of 1,650,000 workers in 1936 there were about

900,000	textile workers
250,000	engineering and metal workers
500,000	other workers.

Over half of all workers are textile workers; and if we exclude those workers who are engaged in railway workshops belonging to Government and local bodies, the iron and steel industry, with less than two hundred thousand workers, again employs little more than 10 per cent of all workers. That means, in spite of the fact that the number of factory workers (which is still extremely low) has increased quite considerably, the industrial composition of the working class reflecting the general structure of industry is still the same as in 1900; it is the industrial structure of a country which is completely dependent upon outside support, which is held in chains by another country.

If we bridge the span between 1900 and the middle thirties by some more data we get the following picture of the development of the number of workers employed in factories:

FACTORY WORKERS, 1900 TO 1935

Year	*Number of Factories*	*Number of Workers*
1900	1,207	468,956
1910	2,271	792,511
1914	2,874	950,973
1919	3,523	1,171,513
1925	6,926	1,497,158
1930	8,148	1,528,302
1935	8,831	1,610,932

During the first fourteen years under review, from 1900 to 1914, the number of workers more than doubled. During the next twenty-one years it increased only by about 70 per cent; during the last ten years it has increased but little.

But these figures refer only to factories coming under the Factory Act and leave out of account numerous small establishments producing non-agricultural commodities. The following table shows the total number of workers in some important industries:

INDUSTRIAL WORKERS IN IMPORTANT INDUSTRIES

Industries	*Number of Workers in Millions*		
	1911	*1921*	*1931*
Textiles	4·45	4·03	4·10
Clothing and toilet industry	3·75	3·40	3·38
Wood	1·73	1·58	1·63
Food industry	2·13	1·65	1·48
Ceramics	1·16	1·09	1·02
Total	13·22	11·75	11·61

The figures show clearly that the process of driving the Indian people out of occupations which are connected with other than agricultural pursuits has continued up to the present. According to the Occupational Census of India, the percentage of the total population dependent upon industry was 11·2 in 1911, 10·5 in 1921, and 10·4 in 1931. But if we remember the figures of the previous table, then we realize that this process of de-industrialization is not a single one but is combined with another, in order to make the best use, from the capitalist point of view, of the relatively or absolutely decreasing number of Indians producing non-agricultural products. While the number of industrial workers declines, the percentage of industrial workers working in factories increases. That is to say, the diminishing group of industrial workers is working to an increasing percentage under modern capitalist methods: an increasing number of the diminishing group of industrial workers is used for factory production.

But this is not all. If we compare the number of workers engaged in factory work in recent years and the volume of goods produced in factories, then we find that the intensified exploitation of the industrial workers does not consist only in putting an increasing percentage of them into factories:

FACTORY PRODUCTION, FACTORY EMPLOYMENT AND PRODUCTIVITY

(*1919–23 = 100*)

Years	*Production*	*Employment*	*Productivity*
1919–23	100	100	100
1924–28	119	117	102
1929–33	134	114	118
1934–38	181	126	144

Very large also was the increase of productivity in the mines:

PRODUCTIVITY IN COAL MINES

1919–23	..	..	..	100
1924–28	..	..	..	118
1929–33	..	..	..	127
1934–38	..	..	..	127

While an increasing percentage of the industrial workers is put into the factories and mines, these workers in factories and mines have to produce more and more. There are few countries in which we can observe such an increase of productivity as in India. This becomes all the clearer if we realize that the above figures do not take into account the fact that during the last twenty years the number of hours worked per day and per shift has diminished. If we take into account the decline in the number of hours worked, and if we compute an index of productivity per hour, then we find that productivity in the factories has increased by considerably more than 50 per cent, while that in mines has increased by more than one-third!

* * *

Productivity was increased to a large extent by an increase of the intensity of work. The effects of this can be seen very clearly from the following table, which shows the number of accidents per thousand workers in factories.

ACCIDENTS PER 1,000 WORKERS, 1919 TO 1938

Years				*Accident Rate*
1919–23	..	..	..	5·0
1924–28	..	..	..	9·2
1929–33	..	..	..	13·4
1934–38	..	..	..	16·0

The accident rate has increased by over 200 per cent. Such a rapid increase in the rate of accidents is probably unprecedented in the history of capitalism. True, part of this increase may be due to better reporting of accidents; and equally true, there has undoubtedly been some progress in the installation of safety devices. Yet, taking these qualifications into account, the fact remains that probably no country in the whole world shows such a rapid increase of the number of accidents as India. The International Labour Office mentions the following factors making for increased accidents:*

". . . Among these factors may be mentioned the increasing complexity of machinery and the speed-up of production, which have not always been accompanied by a corresponding increase in the adaptability and efficiency of the workers on the one hand and in the adoption of protective measures by the employer on the other, and, as regards mines, an increase in the depth of mining operations."

The workers were speeded-up and they did not get the training necessary for handling complex machinery; at the same time, the employer neglected the installation of safety devices.

But not all accidents are directly due to speed-up and neglect of safety measures, and the International Labour Office reports:†

"A considerable number of accidents used to occur every year to children who were not employed in factories, but were present with their parents or guardians." The parents or guardians could not leave the children alone at home—everybody was at work. So they took them with them to the factories. The result is that machinery and speed-up take their victims not only among the employed workers but also among the children who are still too young to work.

* * *

So the workers must work intensely and they are exposed to an increasing frequency of accidents. In the meantime, how have their wages and their purchasing power developed?‡

* *Industrial Labour in India*, International Labour Office, Studies and Reports, Series A (Industrial Relations), No. 41, pp. 204, 205.

† *Ibid.* p. 196.

‡ Unfortunately, the wage material available, though not small, is rather unreliable. There is a magnificent-looking annual publication called *Prices and*

WAGES IN INDIVIDUAL INDUSTRIES*

(*1900 = 100*)

Years	*Cotton Industry*	*Jute Industry*	*Railways*	*Mining*	*Metal Workers*	*Building Workers*	*Plantation Workers*
1880–89	80	84†	87	71‡	75	90	—
1890–99	90	87	95	81	89	89	100
1900–09	106	106	109	119	112	109	104
1910–19	142	128	139	176	138	133	122
1920–29	273	194	245	255§	190	195	170
1930–38	242	148	286	191	171	168	121

There are quite a number of similarities in the movement of wages in the individual industries. In all industries wages had a tendency to rise, up to the end of the war. Up to the war the rate of increase was not very different in the individual industries, except perhaps in the mining industry, where wages rose somewhat considerably above the average, and in the plantations, where they lagged behind. During the war, wages in mining and in the cotton industry rose above the average. In 1929, before the great world crisis, two groups had been formed. The one comprises the cotton and mining industries (where wages already, before this stage, had risen above the average), and the railways (where wages moved relatively favourably in post-war years). The other group consists of the jute industry, the metal and building trades and the plantations, in all of which occu-

Wages in India giving more material than most other countries have published; yet it was discontinued in 1923 because it was realized that a large percentage of the data was not reliable. Unfortunately the authorities who decided the discontinuation of this collection of figures did not realize that a certain amount of the wage material regularly gathered was reliable and that its publication should have been continued. And furthermore, the same authorities did not draw the conclusion that if a large part of the material was unreliable something should have been done to make it more reliable, to improve the process of gathering the data. A very useful arrangement of wage data for the years 1890 to 1912 can be found in K. L. Datta's five-volume study, *Report on the Enquiry into the Rise of Prices in India*, vol. iii. For the years since 1912, more reliable but much more scattered sources of data on wages are available; but the fact that the material is so scattered often makes it difficult to put the figures together and to compute an index at least relatively reliable. From these few remarks it is obvious that the following wage indices must be regarded as no more than approximations of the course of wages, and this is true especially for the early years under review, and for the war years 1914 to 1918.

* Wages by years, see Appendix to Chapter IV.

† 1883–89 only.

‡ 1882–89 only.

§ No figure for 1923 included.

pations the wages have risen considerably less than in the three industries first mentioned.

But how have wages moved as compared with prices?

MONEY WAGES, COST OF LIVING, AND REAL WAGES*

(*1900 = 100*)

Years	*Money Wages*	*Cost of Living*	*Real Wages*
1880–89	87	69	127
1890–99	94	85	112
1900–09	107	97	111
1910–19	135	143	98
1920–29	211	207	103
1930–38	184	143	129

While, until the first world war, money wages showed a fairly uniform tendency to increase, real wages have moved very differently. Often they have fluctuated violently from year to year, and on the whole they have shown a tendency to decline. During the world war and the years immediately following it, money wages increased rapidly, while real wages declined steeply. After the world war, there was first a natural reaction (to be observed in most countries) and real wages increased slightly. During the thirties, however, real wages continued to increase and rose quite considerably. This rise in real wages, however, is deceptive. For the above wage data refer to gross wages and do not take into account the gigantic wage losses through unemployment and short-time in the early thirties. Net money wages, if one could compute them, would show that real wages in the thirties are considerably below the level of the eighties. And then, as former tables in this chapter have shown, the intensity of work to-day is much higher than it was sixty years ago; that is to say, the worker, even in order to restore his working power in the same degree as he did sixty years ago, would need considerably higher real wages. Furthermore, there is the question of the cost-of-living index by which we measure the change in prices. This refers only to conditions in certain important towns. Furthermore, it does not take into account prices asked for under the truck system, which is prevalent in many places of India. It is not uncommon for workers to get

* Data by years, see Appendix to Chapter I.

their wages only partly in cash, while for the rest they get a ticket or voucher for factory stores and mine depots. In times of general economic difficulty the employers try to cut down wages partly by lowering the pay, partly by a relative increase of prices in company stores. It is no contradiction of this policy to find that in a number of cases, employers buy grain at wholesale prices and sell it to the workers at prices below the market (retail) price.*

Furthermore, the workers have been subject until recently, especially during periods of declining trade activity, to a system of fines which made it possible for the employer to deduct, almost at will, considerable amounts from the pay. Often the management did not even bother to specify for which "offence" fines were deducted. Reasons for deductions were not only "late attendance," "insubordination" or "bad and negligent work," but also such luxuries as the provision of drinking water. An investigation made in Bombay in 1925 and 1926 showed that out of 1,231 concerns 441 deducted fines from wages.† The Payment of Wages Act which came into force in 1936 has prohibited the fining of children and curtailed the amount of the fine put on adults to somewhat over 3 per cent of the worker's earnings; since the Act furthermore provides that the amount taken from the workers should be devoted to some form of labour welfare, the employers are abandoning the system of fines. Instead of fining they are now locking-out the individual workers for periods up to three weeks, an even more cruel punishment.

Sometimes the worker receives no wages at all for his work. If profits are not coming in quickly enough, wages are paid "at a later time." It is by no means a rare occurrence that wages are paid a couple of weeks or even a month or more after they are due. And if the workers cannot wait, if they have to leave and go begging, or if they die or fall ill and cannot come on "pay-day," then these wages are saved and the company can add them to their profits. These delays in the payment of wages are particularly frequent during periods of trade

* Cf. I.L.O. *Report on Industrial Labour in India*, p. 238.

† Cf. *Report of an Enquiry into Deductions from Wages or Payments in Respect of Fines*, Bombay Labour Office, Bombay 1928.

depression, when the workers are least able to endure them. The Payment of Wages Act has somewhat improved the situation, but even under the new Act a delay of ten days is still legal for the restricted number of workers covered by the Act. One of the reasons why the employers are extremely reluctant to give up their policy of delayed wage payments is that this policy enables them to get the workers into debt which in turn makes it more difficult for the workers to leave for another factory. They are thus held in a form of debt-slavery.

It is not only the capitalists, however, who squeeze the workers: there are the so-called jobbers, who really are a kind of labour contractors. In the *Report of the Royal Commission on Labour in India*, 1931 (pp. 23–24), we read:

"As important as any of these functions is the duty which the jobbers perform in their capacity as intermediaries between employer and employee. It is to the jobbers that the employer generally goes when he wishes to notify a change to the workers; it is from the jobbers that he derives most of his information regarding their needs and desires. . . ."

That is to say, the jobber functions as the right-hand man of the employer when the latter deems it necessary to lower working and living conditions—but he can only keep this position of right-hand man if he works at the same time as a stool pigeon.

The Report continues:

"The temptations of the jobbers' position are manifold, and it would be surprising if these men failed to take advantage of their opportunities. There are few factories where a worker's security is not, to some extent, in the hands of a jobber; in a number of factories the latter has in practice the power to engage and to dismiss a worker. We were satisfied that it is a fairly general practice for the jobber to profit financially by the exercise of this power. . . . The jobber himself has at times to subsidize the head jobber; and it is said that even members of the supervising staff sometimes receive a share of the bribe."

On the last two pages I have pointed out not only deductions from wages, and the methods used to cheat the workers out of what little they get, but also that these deductions are often particularly heavy, relatively and sometimes absolutely, during

periods of business depression. This is important, partly because it shows that the workers are hardest hit by these deductions when they can stand them least, partly because during the post-war period the number of years during which trade was slackening was especially great, and partly because it shows clearly the artificiality of the gross real wage increase during the crisis years in the thirties.

Before concluding this survey of wages it is advisable to give a table which has been published already several times in recent years,* but which must not be missed in any study of labour conditions in India. We quote this table from Mr. N. Gangulee's useful study on health and nutrition conditions in India. Together with a second confirmatory table, also quoted from Mr. Gangulee's study, it is the most impressive which I have ever met in the multitude of volumes published on labour conditions in any country.†

DAILY CONSUMPTION OF FOOD PER ADULT MALE IN THE HOMES OF FREE INDUSTRIAL WORKERS AND IN THE PRISONS OF BOMBAY

Items of Foodstuffs	*Industrial Workers*		*Indian Convicts in the Prisons of Bombay*	
	Bombay Textile Industry	*Madras Textile Industry*	*Light Labour*	*Hard Labour*
	lb.	*lb.*	*lb.*	*lb.*
Cereals ..	1·29	1·13	1·38	1·50
Pulse	·09	·07	·21	·27
Meat	·03	—	·04	·04
Salt	·04	·05	·03	·03
Oils	·02	·03	·03	·03
Food adjuncts.	·07	·09	—	—
Total ..	1·54	1·37	1·69	1·87

The above table shows that convicts are better off as far as

* Cf., e.g., R. P. Dutt, *India To-day*, p. 52; his table is not as complete as that of Mr. Gangulee, the Madras workers being left out, but a footnote is added by Mr. Dutt which answers some criticism of the original table which was published in the *Report on an Enquiry into Working-Class Budgets in Bombay*, Bombay Labour Office, 1923. The table as given by Mr. Gangulee is reproduced also in K. S. Shelvankar's *The Problem of India*, a Penguin Special.

† The first table is to be found on p. 219, the second on p. 223, of N. Gangulee, *Health and Nutrition in India*, with a foreword by Sir John Orr. The second table is composed from the memorandum of the Government of the Central Provinces to the Royal Commission on Labour.

food conditions are concerned than free labourers. This table finds confirmation in a second one:

COMPARATIVE BODY-WEIGHT OF SPINNER IN MILLS AND PRISONER IN JAILS (LBS.)

Provinces	*Average Weight of Spinner*	*Average Weight of Prisoner*	*Difference*
Bombay	102·09	112·12	10·03
Central Provinces ..	100·92	110·45	9·53
Burma	117·14	125·70	8·56
United Provinces	107·01	115·08	8·07
Bengal	107·93	115·05	7·12
Eastern Bengal and Assam	108·00	110·85	2·84
Punjab	113·08	115·05	1·97
Madras	113·64	114·38	0·75

I think further comment on the actual standard of feeding of the people is superfluous. The above tables say everything that is necessary.

* * *

Though food conditions are the most important, they are not the only item which determines the living standard of the workers. There are others. One of considerable weight is housing conditions.

Even the apologetic report of the International Labour Office* introduces its housing survey with the simple and significant sentence: "The housing conditions of the majority of the industrial workers of India are deplorable."

This general indictment is well substantiated by particular instances:

"The houses are built close to one another without sufficient space being left for streets or roads, the only approach to them being winding lanes; in most bustees (clusters of small dwellings, J. K.) there is no provision for light and air, the only opening a low door—in Cawnpore, for instance, 82·5 per cent of the dwellings inquired into had no windows. No proper provision exists for the supply of water or for drainage. . . . The effects of the lack of sanitation are aggravated by overcrowding in most of the tenements in larger industrial centres. Large numbers of tenements have only one room; the proportion of families living

* L.c. p. 296.

in single rooms was 97 per cent in 1921–22 and 89 per cent in 1930 in Bombay, 73 per cent in Ahmedabad in 1926. . . . One of the causes of overcrowding is subletting, a common practice in the case of a considerable number of families."*

More recent data are given in the *Report of the Rent Enquiry Committee* in Bombay. The official summary of this report contains the following remarks :†

"The total number of persons living in rooms each occupied by 6 to 9 persons, 10 to 19 persons, and 20 persons and over is 256,379, 80,113 and 15,490 respectively. Every third person in the city, therefore, lives in such frightfully overcrowded condition. . . . Overcrowding is not the only ugly aspect of the problem. The living conditions are also appalling. Men and women are forced to live in the least possible space of a most insanitary character which is neither conducive to good health nor decent standards of morality. . . . In spite of the much talked of prosperity of the city, a very large number of its population lives in poverty. The piles of large and costly premises which are springing up everywhere are of little service to the great majority of the people who anxiously await proper housing."

In fact housing conditions are sometimes so bad that during the hot season the workers simply have to leave their huts and quit the towns in order to survive; they have to go into the country to beg, or to the already overcrowded small holdings of their relatives. The report by the International Labour Office mentions times "when workers are impelled to leave their improvised housing in some industrial centres during seasons of intense heat or epidemics of disease."‡

Adding the results of our short survey of food conditions to the above remarks on housing conditions, we arrive at a really terrifying picture of Indian living standards. Underfed, housed like animals without light and air and water, the Indian industrial worker is one of the most exploited of all in the world of industrial capitalism.

* * *

* L.c. pp. 306, 307.
† *Labour Gazette*, Bombay, September 1939, pp. 54, 55.
‡ I.L.O. *Report*, l.c. p. 159.

But it is not only home conditions that are such that the workers have to leave their homes from time to time in order to survive. Very often they have to stay away from the factories too because it is impossible to stand conditions there for any great length of time. That is one of the reasons why industrial capitalism meets with labour shortages in this densely populated country. The workers are unable or unwilling to stand working conditions in the factories for any length of time. And for this reason unemployment is doubly high—partly because not enough work is available and partly because the workers cannot continue on their job because of exhaustion and illness. And the same holds true of conditions in mines. In the Jharia mining area, for instance, 90 per cent of the adult workers were infected by hookworm.* Summing up health conditions among Indian workers, the International Labour Office remarks: "Large numbers of people suffer from ill-health arising from malaria, hookworm and other diseases, which sap their vitality, as indicated by the high death rate."†

It has been estimated that the number of Indians suffering from malaria is about a hundred million.‡ Tuberculosis is very prevalent in the large cities and towns and it is spreading quickly to-day to the villages where in many cases this disease had not been known for hundreds of years.‡ Curiously enough, one may say that the better the health services the worse the state of health, according to the official statistics published. This is, of course, not due to the fact that better services are detrimental to the health of the Indian people. It is simply due to the fact that the better the health service, the better the general observation of health conditions, the clearer the picture of the large extent of diseases. It is typical of this state of affairs when one reads:§ "As a result of survey work during recent years, knowledge of the prevalence and distribution of this disease (hookworm, J. K.) has been greatly increased. It is now known that the disease is much more widespread in Punjab than was formerly imagined. . . ."

* I.L.O. *Report*, l.c. p. 190. † L.c. p. 173.

‡ See Maj.-Gen. E. W. C. Bradfield, Director-General of the Indian Medical Service, on the Indian Medical Services in *Indian Medical Review*, 1938.

§ Punjab Health Department, *Report on the Public Health Administration of the Punjab for the year 1938*, p. 18.

A large percentage of these diseases is contracted in the factories and mines themselves. "The greatest defect of Indian mines is the lack of adequate sanitation, as indicated by the presence of hookworm. . . . Insufficient arrangements for the elimination of dust in cotton, jute and woollen mills, as well as in cotton-ginning, rice-milling and tea-curing factories, where manufacturing processes give rise to a good deal of dust and may cause pulmonary disease."* Dr. Banerjea, in his book on Indian economics, quoted before, summarizes the conditions of the people of India as follows:†

"Ill-fed, ill-clad, ill-lodged, the masses of the people of India lead a dull and dreary existence. The want of proper sustenance impairs the vigour and vitality of the people, who fall easy victims to the attacks of various kinds of disease. Having no reserve to fall back upon in difficult times, they suffer untold misery whenever there is a slight disturbing cause, such as a drought or a failure of the crops. The children of weak and unhealthy parents become weaklings, and, being themselves ill-fed and ill-bred, swell the numbers of the worthless members of society. Thus the physical deterioration of the people goes on increasing from generation to generation; and with the progress of physical degeneration, their moral stamina also tends to become less and less strong."—

Some aspects of living and working conditions have been improved in recent years. While "it is in reality premature to speak of social insurance in India,"‡ some sort of social legislation has been operating for a number of years. The origins of social legislation, chiefly factory legislation, are interesting in every country, and no less so in India. In Prussia, for instance, social legislation which at first took the form of provision against over-long working days for children, was introduced at the instance of the military authorities, who complained of poor recruiting material, resulting from the recruits' too early and too strenuous labour in their childhood. In India, social legislation—factory legislation—was introduced at the instance of the Lancashire cotton manufacturers who wanted to hamper their competitors on the Indian market. British textile interests claimed that the

* I.L.O. *Industrial Labour in India*, pp. 190, 187.
† 5th ed., pp. 199, 200.
‡ I.L.O. *Industrial Labour in India*, p. 205.

Indian mills were getting an unfair advantage through the employment of children and women for an unlimited number of hours and at extremely low wages. Thus the first Factory Act was passed in 1881, limiting the employment of children in large factories; it also contained some clauses on health and safety. The Act was, of course, almost completely inept, as all first Factory Acts are apt to be. But in the course of time other Acts were passed and some of them did improve conditions in some respects. The Railways Act of 1930, for instance, provides for a maximum sixty-hour week, though it admits exceptions up to eighty-four hours per week. The conditions under which miners had occasionally to work sixteen and seventeen hours at a stretch were remedied by the 1928 Act, which limited the shift to twelve hours. A recent Act (1935) limited the working week in mines to fifty-four and the working day to nine hours below and to ten hours above ground. To-day, of course, if need arises the working day can be lengthened again almost without limit. When the jute mills were subjected to restrictions as regards the number of hours, they used the tricks applied by British cotton manufacturers a hundred years ago by introducing the multiple-shift system, which makes it impossible to control how long the individual workers work. The Royal Commission on Labour in India (1931),* after laborious investigation, found what it could have discovered by glancing over the pages of the reports of the British factory inspectors of a hundred years ago: that the multiple-shift system made supervision impossible; that a number of workers who did not exist were on the register, and that the work of these non-existent workers was done by actual workers, who worked a longer working day than admitted by the law; that children were working in some factories eleven or twelve hours a day, etc. In 1931, when trade conditions in the jute industry deteriorated rapidly because of the crisis, the forty-hour week was introduced and the single-shift system adopted by the Indian Jute Mills Association. In 1936, when conditions were better, however, the fifty-four-hour week was reintroduced, and in smaller factories and mills which did not belong to the Jute Association the working week was from seventy-two to one hundred and twenty-six hours, which per-

* *Report of the Royal Commission on Labour in India*, pp. 49–51.

mitted the employer to stretch the working day of the individual jute worker to any length. In 1939–40, under war conditions, and when trade was good and profits were high, the working day increased to sixty, only to be reduced, after the fall of Western Europe to Hitler, to thirty-four hours in 1940–41.*

With the rising number of accidents and the increasing pressure put upon it, the Government was forced in 1923 to introduce some sort of workmen's compensation for industrial accidents and certain industrial diseases. The question was first raised in India in 1884 and almost forty years later the first practical step was taken. The number of workers covered by this first Act, however, was a small one, and a second Act was passed ten years later, in 1933, bringing some definite improvement. Even the improved Act, however, is really almost ineffective as far as industrial diseases are concerned,† and as to accidents, little is done except by the trade unions to call the attention of the workers to the fact that they have any claims when insured, while many employers contest claims and often do not insure their liability under the Act.

No doubt some improvements were made during the thirties, chiefly under the pressure of organized labour. But on the whole, the working conditions in Indian factories, mines, railways and plantations are just as barbarous as the living conditions. They are far worse than in any European country, far worse than in any Dominion with the exception of conditions among natives in South Africa, they are worse, probably, than in any South and Central American state. Moreover, many of the social laws apply only to large factories, and the system of factory inspection does not permit of regular and widespread supervision, too few inspectors being employed.

* * *

The Indian labour movement has a very short history but it has crowded more experience and deeds of revolutionary heroism

* Cf. Sir Charles Innes's statement at the annual general meeting of the Mercantile Bank of India Ltd., May 1941.

† The I.L.O. *Report on Industrial Labour in India* says (p. 206): "Although the Workmen's Compenstion Act provides for compensation for certain occupational diseases, it has in practice only applied to accidents, and the cases of compensation for diseases are very few."

into the few years of its existence than many another labour movement into a period twice or thrice as long.

After some sporadic and isolated activities the beginnings of concerted political and trade union action fall into the last year of the previous world-war and in the years immediately following it. A large-scale strike movement began in 1918 and continued in 1919 and 1920; the spearhead of the labour movement were the textile workers, and among them the Bombay cotton workers; but railway workers, jute workers, dockers, miners and others joined the movement at different times. During the first half of 1920 about one and a half million workers went on strike.

Under these conditions a genuine Indian trade unionism emerged. A number of militant trade unions was formed and in 1920 a Trade Union Congress was founded which soon, however, fell under the leadership of a group of reformists who were propagating industrial peace and moral uplift. The All-Indian Railwaymen's Federation, founded in 1925, did not contribute to the class consciousness of the Indian proletariat. But the conciliatory attitude of the central organizations did not diminish the militancy shown by some of the individual unions and particularly failed to damp the revolutionary eagerness of the rank and file.

For each year, from 1921 to 1924, the number of men-days lost through strikes or lock-outs was never below the four million mark. What this means can easily be realized if we remember that the considerably larger number of British workers did not reach the three and a half million mark during the last eight years. In 1925, strike activity reached a high mark, 12·6 million days being lost through strikes and lock-outs. In this year the Bombay cotton workers struck successfully against an attempt to cut wages. During the next two years, strike activity was inconsiderable but in 1928 a new record of strike action and a very high level of political maturity was reached. For over thirty-one and a half million working days the workers struck or were locked out. The greatest strike in Indian history was fought by the Bombay textile workers, who stood together for six months against large wage cuts and rationalization measures, and who in the course of the strike took the offensive and made

demands of their own. A number of these demands were conceded, the wage cut was withdrawn, and Indian labour made a gigantic step forward. The masses, especially in Bombay, had become skilled fighters and a first-rate leadership began to emerge throughout the industrial centres of British India.

The British imperialists felt that the time for action had come. Legislative measures were introduced or decreed to enable them to deal rigorously with the leaders of the labour movement. Outstanding among them is the Trade Disputes Act, which made most strikes illegal—for instance, all strikes declared for causes extraneous to the industry, and all strikes intended to cause hardship, "severe, general and prolonged," to the people. So that the reformists in the labour movement could point to some "friendly acts and hopeful moves of the British Government," the Whitley Labour Commission was appointed. After these preparations the Government struck in March 1929. All over India the most active leaders of the labour movement were arrested and brought to Meerut. This was a most serious blow for the Indian labour movement. The Labour Government in Britain, which was formed in June 1929, carried on the work of its predecessor, and had the Meerut accused sentenced to heavy prison terms. It hoped thus to put in power the reformist Indian labour leadership and to render the revolutionary labour leaders of India inactive, if not for ever at least for years to come.

And, in fact, for more than seven years the Indian labour movement languished. True, the reformist wing could not gain power; on the contrary, it was pushed back even further into the background. But the revolutionary leaders had had too little time to train skilled and experienced alternative groups of functionaries to replace them when they themselves were thrown into prison. There were many eager and sincere men in the years following 1929 who tried to lead Indian labour to new victories—but inexperience and dissension caused many of their plans to fail.

The new impetus to the labour movement coincided with the last of the measures designed to crush all opposition "definitely," the formal proclamation of the illegality of the Communist Party in 1934. The fight against this ban was immediately and everywhere taken up by large sections of the labour movement,

strongly supported by the Trade Union Congress. In the same year the Congress Socialist Party was formed; its members being partially under the influence of Marxist ideas. Trade union membership, which had fallen from 240,000 in 1932–33 to 210,000 in 1933–34, rose rapidly to 285,000 in 1934–35. During the following years the strength of the labour movement grew, labour activity increased and reached a new height. In 1937 more workers than at any time during the preceding sixteen years struck; the number of working days lost through strikes and lock-outs increased to nine million, more than during the three preceding years together. Prominent among the strikes of 1937 was that of the jute workers in Bengal, who fought successfully for trade union recognition, among other demands. The election of the Congress Ministries in 1937 was partially an expression and a result of this new growth, partially it helped to expand and intensify labour and political activity in general. During the following years the Indian labour movement continued on its way to rouse the masses of the workers against the conditions under which they have to live and work, labour began to consolidate its position, and the drive for unity and activity in the fight for the national liberation of India has gained ever increasing momentum. The Trade Disputes Act for Bombay in 1938, which threatened the legality of the whole system of trade unionism, and which made strikes illegal until the cumbersome machinery of conciliation had been proved useless for the issue in question, was answered by the healing of the split within the trade union movement which to-day is united again in the Trade Union Congress.

APPENDIX TO CHAPTER I
LABOUR CONDITIONS IN INDIA

I. Tables

1. WAGES IN INDIVIDUAL INDUSTRIES, 1880 TO 1938

(*1900 = 100*)

Year	*Cotton Industry*	*Jute Industry*	*Railways*	*Mining*	*Metal Workers*	*Building Workers*	*Plantation Workers*
1880	73	—	82	—	71	85	—
1881	72	—	83	—	71	88	—
1882	78	—	84	72	72	88	—
1883	78	79	85	72	71	91	—
1884	77	80	87	72	74	89	—
1885	81	82	89	71	82	89	—
1886	84	83	88	71	77	88	—
1887	87	87	92	69	76	91	—
1888	87	88	89	73	77	93	—
1889	86	89	95	71	82	93	—
1890	88	79	92	73	85	84	95
1891	88	80	93	73	85	85	95
1892	88	82	93	74	87	85	99
1893	89	83	93	78	85	86	97
1894	89	87	94	78	86	87	99
1895	90	88	94	80	88	88	103
1896	92	89	95	80	91	91	107
1897	93	91	96	86	93	93	101
1898	93	92	97	92	96	96	100
1899	94	94	99	96	92	97	100
1900	100	100	100	100	100	100	100
1901	100	100	101	109	102	100	106
1902	101	101	102	110	102	102	98
1903	104	102	104	114	102	103	98
1904	104	106	106	116	110	108	98
1905	108	107	108	119	113	109	103
1906	108	108	111	122	118	113	109
1907	110	108	115	125	121	115	112
1908	112	113	119	134	123	118	109
1909	115	114	121	136	129	122	111
1910	120	114	126	140	132	121	114
1911	122	119	127	141	133	126	117
1912	126	117	129	142	134	126	117
1913	135	129	127	158	134	127	119
1914	134	130	128	158	133	127	118
1915	137	130	142	170	135	127	123
1916	136	130	143	197	139	136	124
1917	149	131	146	197	141	137	122

1. WAGES IN INDIVIDUAL INDUSTRIES, 1880 TO 1938—*continued*

(*1900 = 100*)

Year	*Cotton Industry*	*Jute Industry*	*Railways*	*Mining*	*Metal Workers*	*Building Workers*	*Plantation Workers*
1918	171	138	161	237	143	150	130
1919	190	145	161	221	151	154	139
1920	237	184	203	233	176	176	137
1921	263	193	213	304	185	183	145
1922	275	194	213	300	190	193	156
1923	277	194	239	—	189	190	162
1924	284	193	251	222	194	199	167
1925	284	194	258	192	194	203	175
1926	276	193	266	249	194	205	182
1927	276	193	268	271	190	204	190
1928	276	195	270	261	193	202	197
1929	275	206	273	267	193	194	192
1930	275	161	277	265	189	193	188
1931	267	140	273	230	180	181	166
1932	267	127	273	194	176	175	155
1933	253	132	281	170	170	173	101
1934	234	115	290	178	169	159	97
1935	222	119	296	153	169	160	94
1936	221	137	296	151	165	155	94
1937	219	206	293	186	161	155	98
1938	221	196	299	191	161	160	99

2. WAGES AND THE COST OF LIVING, 1880 TO 1938

(*1900 = 100*)

Year	*Money Wages*	*Cost of Living*	*Real Wages*	*Year*	*Money Wages*	*Cost of Living*	*Real Wages*
1880	82	77	106	1910	120	103	117
1881	82	62	132	1911	123	104	118
1882	85	62	137	1912	124	111	112
1883	86	62	139	1913	128	117	109
1884	86	64	134	1914	128	130	98
1885	88	65	135	1915	134	139	96
1886	88	68	129	1916	137	143	96
1887	91	76	120	1917	139	155	90
1888	91	80	114	1918	153	200	77
1889	93	77	121	1919	160	228	70
1890	90	79	114	1920	182	238	76
1891	90	80	113	1921	198	225	88
1892	92	85	108	1922	205	213	96
1893	92	83	111	1923	211	200	106
1894	93	80	116	1924	212	204	104
1895	96	80	120	1925	214	202	106
1896	99	86	115	1926	214	202	106
1897	97	102	95	1927	225	200	112
1898	97	88	110	1928	226	192	118
1899	98	84	117	1929	226	195	116

2. WAGES AND THE COST OF LIVING, 1880 TO 1938—*continued*

(*1900 = 100*)

Year	*Money Wages*	*Cost of Living*	*Real Wages*	*Year*	*Money Wages*	*Cost of Living*	*Real Wages*
1900	100	100	100	1930	220	178	124
1901	103	94	110	1931	205	146	140
1902	100	89	112	1932	196	144	136
1903	102	85	120	1933	176	137	128
1904	103	83	124	1934	170	129	132
1905	107	91	118	1935	167	133	126
1906	111	102	109	1936	168	137	123
1907	113	105	108	1937	177	144	123
1908	114	115	99	1938	178	139	128
1909	117	107	109				

II. Sources and Remarks

There is, of course, a great amount of literature on India and the number of excellent studies on special subjects is not small. I have mentioned some of the more recent publications in the text and footnotes of Chapter IV. The book by R. P. Dutt, *India To-Day*, is of outstanding importance. I had no occasion to quote from the useful study *The Industrial Worker in India*, by B. Shiva Rao, published in 1939.

For the occupational statistics consult the *Statistical Abstract for British India*. In the same source we find the number of employed factory workers and accidents in factories.

The production data are taken from an article by D. B. Meek, "Some Measures of Economic Activity in India," *Journal of the Royal Statistical Society, 1937*; the figures for 1933 to 1938 I have estimated on the basis of production data published in the *League of Nations' Statistical Yearbook*.

The figures of productivity in mines are taken from the Annual Report of the Chief Inspector of Mines in India.

The sources for the calculation of wages in individual industries are: Generally: 1880 to 1890, *Prices and Wages in India*; 1890 to 1912, K. L. Datta, *Report on the Enquiry into the Rise of Prices in India*, vol. III. For the years since 1912 I used the following sources: Textiles, Metal Workers and Building Workers: Reports on the Administration of the Factory Act for the following provinces: North-West Frontier, Central Provinces, Madras, Delhi, Punjab, United Provinces, Bengal, Bombay. Furthermore,

for the cotton industry: The reports of the Special Tariff Board 1927 and 1937–38; the investigations of the Bombay Labour Office into wages for May 1914 and May 1921, August 1923, May and July 1926, December 1933, April and May 1934; and the data given in the Report of the Royal Commission on Labour in India (London, 1931), vol. I, p. 412, vol. III, Part I, p. 105, vol. VII, Part I, p. 147; in addition, use was made of some data given in the Fifth Quinquennial Census, 1934, for the United Provinces; in the Census of India, 1931, vol. XV, Part I, p. 22, and in *Prices and Wages in India*. Additional material for wages in the jute industry was found in the Report of the Royal Commission on Indian Currency and Finance, 1926, vol. I, p. 131, in the Report of the Royal Commission on Labour in India, 1931, the statement of the Bengal Employers' Association, vol. V, Part I, p. 302, and in *Prices and Wages in India*. Furthermore, material on wages of metal workers was found in the Report of the Royal Commission on Labour in India, vol. IV, Part I, p. 67 and p. 177. Wages in the mining industry after 1912 were calculated for the years 1912 to 1922 on the basis of data given in *Prices and Wages in India*, and for the following years they comprise the wages of underground miners in Bihar (Jharia) and Bengal (Raniganj) as given in the Annual Report of the Chief Inspector of Mines in India. The wages of the railroad workers up to 1920 were calculated on the basis of data given in *Prices and Wages in India*; for the following years I used the data on employment and payrolls given in the Reports by the Railway Board on Indian Railways. Wages of plantation workers after 1912 were computed on the basis of data given in the Reports on Immigrant Labour in the Province of Assam, and in the Annual Reports on the Working of the Tea Districts Emigrant Labour Act; all data refer to workers on tea plantations. The wages for different workers' categories and workers in different factories within one industry were not weighted; wages for workers in the different provinces were weighted according to the number of employed, with the exception of wages for metal and building trade workers, where no weights were applied.

In calculating the general index of wages I weighted the individual wage series according to the number of workers

employed, regarding the wages paid on the tea plantations as representative in their movement for all plantation workers.

The cost of living index was computed by using retail prices of food grains given in *Prices and Wages in India* for the years 1880 to 1890 and 1912 to 1914; for the years 1890 to 1912 I used Datta's index given in vol. II of his above-mentioned report; for the years 1914 to 1938 the following sources were used: 1914 to 1938, cost of living in Bombay; 1929 to 1938, cost of living in Ahmedabad; 1931 to 1936, cost of living in Rangoon; 1935 to 1938, cost of living in Lahore; sources for these cost-of-living figures are the Yearbook of Labour Statistics of the International Labour Office and the Labour Gazette, Bombay.

The reader must be warned against using any of the figures given in this chapter as absolutely accurate. The ten-year averages are useful and give a correct picture, though errors of several per cent should not be surprising; the year to year figures are given as material for the ten-year averages but it is quite possible that, for instance, instead of a small increase of real wages which the figures indicate from one year to another, real wages have in fact declined slightly and vice versa; the same holds true of cost-of-living changes or money-wage changes from year to year.

CHAPTER II

LABOUR CONDITIONS IN CANADA

In development and structure, Canada is one of the most curious of all capitalist countries. In size it is almost as large as the whole of Europe. In population it is only a little larger than Greater London.

The wealth of the country—apart from undeveloped resources—is about as great as the annual income of Great Britain. The preponderant industry (as measured by capital investment) is agriculture. More than one-fifth of the total wealth of the country is agricultural capital; if we add to this the capital represented by the forestry industry we find that almost one-third of the national wealth is represented by agriculture and forestry.

However, while agriculture and forestry represent the largest single item of the national wealth, another industry dominates in annual production: manufactured production makes up about half of the value of the year's production. The total number of wage earners (like that of the total population) is relatively small. An official estimate gives the figure in 1939 as no more than 2·7 millions. There are no reliable estimates of the number of wage earners for any year prior to 1921. I should say that it is doubtful whether the number of wage earners around 1900 was larger than one million. The total number of occupied persons at that time was 1·8 million, of whom over seven hundred thousand were engaged in agriculture. Only a small percentage of the agricultural population was made up of wage earners. Since eighty thousand persons were engaged in professional pursuits and one hundred and seventy thousand in trade and merchandising, and since these occupations at that time did not employ many wage or salary earners, the total figure of one million wage earners for 1900 is rather an over-estimate than an under-valuation of the size of the Canadian proletariat.

* * *

The size of the proletariat has grown rapidly since 1900, especially in the years preceding the previous world war. The increase in the size of the total population of Canada in the years from 1900 to 1914 is greater than that of any other country during this period. This is due partly to high fecundity, but to a much greater extent to immigration. Between 1900 and 1914 almost three million people immigrated, of which less than one-sixth turned to agricultural pursuits. The chief gains were made by transport, mining, manufacturing, and trade and merchandising. The world war considerably furthered the development of manufacturing, mining and transport. To-day Canada is a country which produces large quantities of industrial products, and which has created for the purpose of this production a large proletarian section within its population.

* * *

Canada is a British Dominion. It was developed largely by British capital. If we estimate the total capital invested in Canada around the turn of the century at about four thousand five hundred million dollars we find that about one-quarter of this amount was owned by British capitalists resident in Britain, while about 4 per cent was owned by American capitalists residing in the United States. It is not improbable that little less than one-third of the capital invested in Canada was owned by capitalists—chiefly British—residing outside the Dominion.

This situation changed in some ways before the first world war. Between 1900 and 1913 British investments in Canada increased about two and a half times; American investments increased about five times, and investments by other countries (which in 1900 amounted to 1 per cent of all foreign investments) increased more than twelve times. It is improbable that Canada's total capital investments during this period have increased relatively more than the total of foreign investments. The hold of foreign capital upon Canada was very probably the same just before the outbreak of the war as during the turn of the century.

During the war, British investments remained approximately stable, while American investments more than doubled; other investors rather tended to withdraw some of their capital. Again, Canada was not able to shake off the foreign investors.

The percentage of foreign capital remained probably about the same at the end of the war as it was before it began.

In 1922, American investments in Canada surpassed the amount Great Britain had invested. Canada became in effect an economic dominion of the United States. To-day, American investments are probably twice as high as the British—investments by other Powers are insignificant—and the percentage of the total capital invested in Canada which does not belong to Canadians is about as high as forty years ago.

During all the years of rapid development which have ensued since the turn of the century the share of foreign capital has remained about the same, fluctuating between one-quarter and one-third of the total capital invested.

* * *

Yet Canada cannot be regarded simply as a British or British-American colony. The exploitation of the Canadian worker is not greater than that of the British or American worker; the Canadian worker does not live and work at the standard of an African native or an Indian worker. The period of simple robbery of land and mineral resources is passed. And a large number of foreign capitalists have settled in Canada herself; they have become "natives"; they are the native capitalists. They regard themselves as the equals of the capitalists who have remained in Britain or the United States. And in fact, they are in many respects their equals. Thus, the British and American capitalists, through their investments, can make no large extra profits, either by forcing the Canadian capitalists to share their profits with them, or by forcing the Canadian workers to live at a standard far below that of the British and American workers. The chief source of wealth for the British and, to a smaller degree, for the American investors, was the primary accumulation during the nineteenth century.

But if the British and American investors to-day do not make extra profits by squeezing the Canadian capitalists and by enforcing a specially low standard of living upon the Canadian workers, this does not mean that they do not make any extra profits at all.

Firstly, the political ties which still bind Canada closer to Britain than to any other country give Britain a considerable trading advantage over other countries, which finds expression in Canadian and British tariff legislation (e.g. Ottawa), and in the net profits which British exporters of manufactured goods can make in Canada as compared with the profits made by exporters of other countries to Canada. This relation between Canada and Great Britain, however, is changing during the present war in favour of the United States.

Secondly, the great natural resources of Canada, joined to Britain through political and economic ties, form a wonderful hinterland for British imperialism. Since, for agricultural products—in contrast to forestry products—the United States are rather the rivals of Canada as an exporter, than of Britain as an importer, the Canadian capitalists have not the advantage of playing off the United States against Britain and are, therefore, more dependent upon Britain than one would expect from the respective capital investments. This is all the more interesting since, while exports to Britain and the Empire were greater than those to the United States, imports from the United States were about twice as high as those from Britain and the Empire. Only during the present world war have the United States gained definite economic supremacy.

Thirdly, the control of some of the natural resources of Canada, especially nickel, helps British capitalists to create world monopolies, which always bring extra profits.

* * *

Now, if we study the living and working conditions of Canadian labour we realize that the Canadian proletariat is, compared with that of other capitalist countries, relatively small; that it does not occupy the ordinary position of colonial labour, but that its standard of living corresponds on the whole to that of the British and American proletariat; that its parentage is to a great percentage foreign-born, and that, in spite of the largely agricultural character of the country, it is composed only to a very small degree of agricultural workers.

As with all other workers, the most important factor in the

life of the Canadian workers is the wage they get, and its purchasing power. Wage rates in a number of important industries have developed as follows:

WAGE RATES IN INDIVIDUAL INDUSTRIES, 1901 TO 1939*

(*1913 = 100*)

Industries	*1901–08*	*1909–14*	*1915–22*	*1923–33*	*1934–39†*
Building Trades ..	72	91	138	180	164
Metal Trades ..	77	94	155	178	179
Printing Trades ..	69	94	145	195	188
Electric Railways..	74	91	149	191	189
Steam Railways ..	77	95	159	192	191
Coal Mining ..	87	98	160	172	169
Common Factory Labour	—	—	158	183	187
Logging and Sawmilling	—	—	146	171	174
Agriculture‡ ..	—	—	189	172	119

Wages in all industries up to 1920 showed a tendency to increase. Up to the war, wages increased most in the building and printing industries; they increased exceptionally little in coal mining. During the war, wages rose outstandingly in agriculture in order to keep the agricultural workers on the land and to prevent them from going into the war industries. Next followed the wages of steam railways and in the metal trades. In the slump following the war years, including the deep crisis of 1921, wages generally fell rapidly. The fall was steepest in agriculture, logging and sawmilling, and in the metal industries; curiously enough, wage rates in the coal industry and in the printing trade still increased in 1921 and fell only slowly in the following years. In the middle of the twenties wages began to rise again slowly up to 1929 and 1930, except in the coal industry, where they fell heavily from 1924 to 1925 and then remained about stable. During the crisis of 1929 to 1933 wage rates fell universally. The fall was greatest again in agriculture, closely followed by logging and sawmilling and by building. About the middle of the thirties they began again to rise.

The following table gives a general index of wage rates and

* Wages by individual years see Appendix to Chapter II.
† Incomplete trade cycle. ‡ 1914 = 100.

at the same time an index of actual earnings, taking into account wage-losses through unemployment and short-time; that is, it gives gross as well as net wages. The index of the cost of living and the index of net real wages show the development of the purchasing power of the workers in Canada.

WAGES IN CANADA, 1900 TO 1939*

(*1900 = 100*)

Trade Cycle	*Gross Money Wages*	*Net Money Wages*	*Cost of Living*	*Net Real Wages†*
1901–08	114	—	110	105
1909–14	143	—	137	105
1915–22	244	259	211	122
1923–33	279	246	213	114
1934–39‡	263	194	183	106

If we compare the development of gross and net money wages we clearly see the difference between what the Canadian worker gets theoretically and what he gets actually. During the war and the first post-war years, net wages were higher than wage rates because of a large amount of overtime work and a relatively low figure of unemployment. But in the following years, and especially in the thirties, short-time and unemployment robbed the worker of a very high percentage of his wages.

As to real wages, the table shows that during the first two cycles, real wages remained about stable; they rose during the war; and since then they have declined again to a level which is the same as that prevailing at the beginning of this century. Thus, the purchasing power of the Canadian worker is no higher to-day than it was forty years ago.

* * *

But the above wage-table tells only a small part of the story. True, the Canadian worker can buy to-day about as much as forty years ago. But he is menaced to a much greater degree by

* Wages by individual years see Appendix to Chapter II.
† 1900 to 1916 gross real wages; 1916 to 1939 net real wages.
‡ Incomplete trade cycle.

unemployment, the insecurity of his job has increased rapidly, and in addition he has to work much harder for the purchasing power he gets; the intensity of work has increased considerably.

As to the development of unemployment, our data unfortunately do not go back further than 1916. Since then unemployment has developed as follows:

UNEMPLOYMENT, 1916 TO 1939

Year	*Percentage*	*Year*	*Percentage*	*Year*	*Percentage*	*Year*	*Percentage*
1916	3·7	1922	7·0	1929	4·2	1934	20·6
1917	1·9	1923	4·9			1935	19·0
1918	1·8	1924	7·1	1930	12·8	1936	16·7
1919	3·4	1925	6·9	1931	17·4	1937	12·5
		1926	4·6	1932	26·0	1938	15·1
1920	4·6	1927	2·8	1933	26·5	1939	14·1
1921	8·9	1928	2·5				

During the war, unemployment was relatively low, as it was in most countries, though it seems that it was somewhat higher than in the warring countries in Europe. During the crisis of 1921, unemployment rose naturally, but not to any extraordinary heights. During the twenties, unemployment was comparatively high in some years, but on the whole it stood at a low level, which did not differ very much from that in former periods of peace and increasing trade activity. This is an important fact: up to the last world economic crisis, Canadian economy did not suffer to the same degree as did the economy of the United States or of the European countries, from that terrible disease of imperialism and of capitalism in decay—from high unemployment during the "phase between two crises." But the world crisis of 1930–33 brought a change. Not only did unemployment reach probably unprecedented heights in Canadian economic history during the crisis, but after the passing of the world crisis unemployment remained very high. Canada has joined most other capitalist countries in suffering from high unemployment during the phase of increasing trade activity.

There are no reliable and general short-time statistics available, but a survey of the number of days worked in the coal mines per year gives a picture of the extent of short-time in at least one important branch of national economy:

NUMBER OF DAYS WORKED IN COAL MINES, 1921 TO 1939

Year	Number of Days	Year	Number of Days	Year	Number of Days	Year	Number of Days
1921	228	1926	244	1931	185	1936	225
1922	229	1927	251	1932	177	1937	235
1923	250	1928	249	1933	182	1938	208
1924	221	1929	252	1934	214	1939	228
1925	231	1930	219	1935	216		

In none of these years was the full number of about three hundred working days reached. In all the twenty years under review, only twice did the workers work, on an average, more than two hundred and fifty days. In the first five years under review they worked four times for over two hundred and twenty-five days; in the second five years, again four times; in the third, not a single time; and in the last four years, twice.

The influence of short-time on the wages of the workers undoubtedly increased very much during the thirties. There can be no doubt that, on the whole, the insecurity of the worker increased very rapidly during the thirties, while in the twenties, it probably showed but a slight increase as compared with former times.

* * *

While the insecurity of work has increased, the intensity of work has, doubtless, risen too. Unfortunately, there are no statistics available showing the increase in the intensity of work. But the data available showing the increase of productivity, that is, the increase of intensity of work combined with technical progress, indicate a really enormous increase. Increased fatigue experienced by the workers, which is not denied by any authority, proves that an increasing part of the rising productivity is due to increased intensity of work.

PRODUCTIVITY IN MANUFACTURING INDUSTRIES, 1917 TO 1940

(1917 = 100)

Year	Employment of Wage Earners	Volume of Production	Production per Wage Earner
1917	100	100	100
1918	99	102	103
1919	96	98	103

PRODUCTIVITY IN MANUFACTURING INDUSTRIES, 1917 TO 1940—*continued*

(*1917 = 100*)

Year	*Employment of Wage Earners*	*Volume of Production*	*Production per Wage Earner*
1920	96	95	99
1921	69	86	124
1922	71	96	135
1923	80	105	131
1924	77	103	134
1925	83	113	135
1926	89	128	143
1927	95	137	143
1928	101	149	147
1929	107	158	148
1930	98	143	146
1931	81	124	154
1932	71	105	149
1933	71	105	149
1934	79	124	157
1935	85	136	161
1936	91	149	165
1937	101	167	166
1938	98	145	148
1939	99	161	163
1940	116	199	172

Productivity within the relatively short time under review has increased by more than two-thirds. And a not inconsiderable part of this increase has been due to an increase in the intensity of work.

If we now look back at the development of real wages, we see that the workers, in fact, are very much worse off to-day than they were forty years ago: they receive about the same purchasing power but jobs are less secure, and the amount of work they have to do is very much greater. How much greater, even the above high figures do not fully indicate, since they do not take into account the shortening of the working day,* and therefore they give productivity figures with a downward bias which is greater with every year down to the present times.

* * *

* The number of hours worked has, during the twentieth century, not differed essentially from that in Britain.

No wonder that under conditions of increasing intensity of work the accident rate in Canada has increased considerably. But while this is not astonishing, it is almost incredible that there are no reliable accident statistics of a general nature available for Canada as a whole. Workmen's compensation in Canada is operated by provinces, the figures for the individual provinces are not strictly comparable with each other, nor are the figures for each province comparable for any length of time. But the comparable figures which we have show a very definite increase in the number of accidents, as compared with the number of workers employed.

The whole system of social legislation in Canada is even more unsatisfactory than in most other countries. Only in recent years has some improvement been made in assistance to the unemployed; but unemployment assistance schemes, just as all other important branches of social legislation, are chiefly in the hands of the provincial authorities, and while in some of them real progress in social legislation has been made and conditions are comparable at least with those prevailing in Britain, for instance, in others conditions are considerably worse.

The uneven development of social legislation in the different provinces finds its more important counterpart in widely varying labour conditions. In fact, there are few countries in which labour conditions are as varied as in Canada, even when comparing one big city with another. The reason for this is that some parts of the country have felt the impact of modern U.S.A. conditions where the purchasing power of the workers is relatively higher than in most other countries, and where also the pace of modern industry takes more out of the workers than in most countries—while other parts of the country are still in a state reminiscent of the nineteenth century (very long hours of work, extreme congestion in housing, sweat shops, etc.). The latter are well represented by Quebec, where, according to statistics published in the *Semaine Commerciale* of January 22, 1937, about 80 per cent of the workers received wages lower than the minimum required for a decent standard of existence, where at about the same time grocery clerks of fourteen to twenty years of age were receiving less than four dollars a week, and where

men in the bakeries were still working seven days a week and twelve to fourteen hours per day.*

* * *

While the actual purchasing power of the Canadian worker was, before the present war started, about as high as in the beginning of the century, while his economic security was considerably less because of the increase of unemployment, and while the working day, because of the increased intensity of work, was considerably more exhausting, at the same time his relative position in society is considerably worse to-day than forty years ago. The rich have become a good deal richer, while the position of the poor has deteriorated.

Unfortunately, no reliable data are available for the whole of the twentieth century, and even for the last twenty years no comprehensive, and at the same time detailed, figures are available to compute an index of the relative position of labour in general. It is, however, possible to compute an index of the relative distribution of the products of manufacturing industries:

RELATIVE POSITION OF THE WORKER IN RELATION TO THE DISTRIBUTION OF MANUFACTURED PRODUCTS, 1917 TO 1939

(*1917 = 100*)

Year	*Production per Capita of Manufactures*	*Real Wages per Worker*	*Relative Position per Worker*
1917	100	100	100
1918	101	99	98
1919	95	97	102

* The difference in the general standard of living in different parts of Canada can be realized very clearly from a comparison of certain aspects of life in Ontario and Quebec:

Aspect	*Ontario*	*Quebec*
Population (1939)	3,752,000	3,210,000
Rural Population (1931)	1,335,691	1,060,649
Total Acreage (1939)	9,086,600	6,142,100
Number of Tractors on Farms (1931) ..	18,993	2,417
Number of Automobiles on Farms (1931) ..	125,716	26,877
Infant Death Rate, per 1,000 (1939)	47	78
Death Rate, Tuberculosis, per 100,000 (1934)	37	92
Salaries and Wages per Employee in Manufacturing (1938)	$1,164	$995
Average Teacher's Salary (1934)	$1,141	$512

It is of interest that the feudal system in Quebec was formally liquidated only in 1935. Cf. the interesting article by Mr. David Martin, "Fascism Comes to Quebec," *Current History*, November 1937.

RELATIVE POSITION OF THE WORKER IN RELATION TO THE DISTRIBUTION OF MANUFACTURED PRODUCTS, 1917 TO 1939—*continued*

(*1917 = 100*)

Year	*Production per Capita of Manufacturers*	*Real Wages per Worker*	*Relative Position per Worker*
1920	90	96	107
1921	79	89	113
1922	87	89	102
1923	94	92	98
1924	91	91	100
1925	98	92	94
1926	109	93	85
1927	114	95	83
1928	122	95	78
1929	127	93	73
1930	113	83	73
1931	97	77	79
1932	81	67	83
1933	79	66	84
1934	92	72	78
1935	101	75	74
1936	109	78	72
1937	121	85	70
1938	104	80	77
1939	115	85	74

RELATIVE POSITION OF THE WORKER, 1917 TO 1939

(*1917 = 100*)

Trade Cycle	*Index*
1917–22*	104
1923–33	85
1934–39*	74

An ever-decreasing proportion of nationally manufactured products goes to the workers. Part of their growing share the employers use to heighten their standard of living, and part they use to accumulate capital. To accumulate capital means that they build new factories, new machines, new tools in order to increase production further, in order to enlarge their means of exploitation, in order to get more profits.

If we compute an average index of the social position of the workers by trade cycles we find that the position of the workers

* Incomplete cycle.

has deteriorated from 1917–22 to 1923–33 by one-fifth, and during the following trade cycle again by over 10 per cent.

The abyss between the rich and the poor, between the ruling class of the country (whether native capitalists, British or American investors) on the one hand and the masses of the people on the other hand, has been widened in the last twenty years to an extraordinary degree.

* * *

The dependence of Canadian capitalism upon foreign capital, at first chiefly British and later on American, finds a curious counterpart in the development of the Canadian labour movement.

The first trade unions in Canada were formed about a hundred years ago, in the thirties of the nineteenth century.* In contrast to the history of the early period of trade unionism in many other countries, a number of the early Canadian trade unions are still in existence to-day, among them the Typographical Society of Toronto and the Stone-Cutters' Union of Montreal, both founded in 1844. The spirit of these trade unions was the same as that which animated the British unions formed at that time. The British unions which came into being in the forties were the second generation in the history of British trade unionism, the generation which brought forth many unions still in existence to-day. The Canadian trade union movement, assimilating at once the early experiences of the British trade union movement, jumped the first stage of the British development and often began soon to become respectable in certain parts of the country; it showed the same business spirit which the British unions had then developed—the Canadian unions soon declared that they really wanted to co-operate with the employers—just like the British trade unions. Quite significant in this respect is the motto of the above-mentioned Typographical Society of Toronto: "United to support, not combined to injure." The trade union was a worker's assistance organization, but not

* The first Canadian trade union of which we have record seems to have been the typographical organization of Quebec, founded in 1827.

an organization to injure the position of the employers. The similarity of spirit between the Canadian and British trade unions, easily explained by the immigration of skilled British workers, found further expression around the middle of the century by the formation of branches of British trade unions in Canada. The Amalgamated Society of Engineers established a branch at Toronto in 1850, and in the following years it spread to other cities. In 1860, another British trade union, the Amalgamated Society of Carpenters and Joiners, appeared in Canada. The stone-masons also tried to expand from Britain into Canada. During the sixties, the American trade unions appeared in Canada. The first was probably the Iron Molders' Union of North America; then came the Typographical Union, the Cigar Makers' Union and many others.

At the same time "native Canadian" unions were formed, especially among the shipbuilding workers, the tailors and bakers. But these "native unions" form the minority of the Canadian unions. In the last quarter of the nineteenth century the British influence began rapidly to be reduced in favour of American influence. The increasing influence of U.S. trade unionism in Canada fortified the position of business unionism and, in spite of many counter-movements, kept it in the saddle up to the present time.

The number of trade unionists, through all this period up to the present time, has always been very small. In 1911, when the first official count was made of the total number of trade unionists, there were no more than one hundred and thirty-three thousand members. To-day their number is around four hundred thousand, that is, just about 15 per cent of the total number of workers.

The strike record of the Canadian labour movement has been well known only since the beginning of this century. And the story which it tells indicates that, regarded as a whole, the labour movement made little use of this important weapon; it shows the predominance of the spirit of business trade unionism which has killed again and again any progressive movement, which, to a large extent, has made of the heroic deeds of many labour leaders, and many promising movements, a memory instead of a living experience. The following table gives the number of striking workers and the number of strike days.

STRIKES AND LOCK-OUTS, 1901 TO 1940

(In thousands)

Year	*Number of Workers*	*Working Days Lost*	*Year*	*Number of Workers*	*Working Days Lost*
1901	28·1	632·3	1921	22·9	956·5
1902	12·3	120·9	1922	41·1	1,975·3
1903	50·0	1,226·5	1923	32·9	768·5
1904	16·5	265·0	1924	32·5	1,770·8
1905	16·2	217·2	1925	25·8	1,744·0
1906	26·1	359·8	1926	24·1	296·8
1907	36·2	622·0	1927	22·7	165·3
1908	25·3	708·3	1928	18·2	238·1
1909	17·3	871·8	1929	12·9	152·1
1910	21·3	718·6	1930	13·8	91·8
1911	30·1	2,046·7	1931	10·7	204·2
1912	40·5	1,099·2	1932	23·4	255·0
1913	39·5	1,287·7	1933	26·6	317·5
1914	8·7	430·1	1934	45·8	574·5
1915	9·1	106·1	1935	33·3	284·0
1916	21·2	208·3	1936	34·8	277·0
1917	48·3	1,135·0	1937	71·9	886·4
1918	68·5	763·3	1938	20·4	148·7
1919	139·0	3,942·2	1939	41·0	224·6
1920	52·2	886·8	1940	60·6	266·3

During the last fifteen years, there has not been a single year in which the Canadian labour movement struck for a million days at least; in fact, there were only two years when they struck more than half a million days. Since 1921, there were only two years, 1937 and 1940, in which at least fifty thousand workers struck—that is, in which at least 2½ per cent of the workers at one time or another were on strike. In fact, the only year on record with more than 5 per cent of the workers on strike is 1919.

This general picture, however, must not obscure one important fact: while strike activity in general has been extremely low in Canada, there have been some years when the labour movement was very active indeed, and furthermore, there is one industry with a great record of resistance and aggression against the employers—the coal mining industry. Of the 26.3 million strike days since 1901 about nine and two-thirds have been fought by the coal miners. If we realize that the miners at no time formed even 5 per cent of the workers, and that they

fought more than one-third of all strike days, then we must express admiration for this determined section of the Canadian working class.

There are two outstanding strike periods in the history of the Canadian labour movement during the twentieth century: the first one comprises the years before the first world war; the second one the years at the end of the world war. The strikes before the world war 1914–18 were chiefly economic strikes for higher wages and shorter hours, and strikes for recognition of the unions, often very bloody, handled brutally by the authorities who called in the police and the militia against the workers. These strikes, on the whole, were successful. About half of the strike days are accounted for by the strikes of the miners.

The second strike period is significant because of the highly political character of many of the strikes. A syndicalist political trend, sympathetic to the Soviet Union, violently opposed to reformism, began to gain great influence in the West-Canadian trade unions. The "One-Big-Union" movement, directed against craft-unionism, for regional action, for regional and, when possible, general strikes, not conscious of the necessity of a political party, believing in trade unionism as the sole representative movement of labour and its sole directing force, rapidly gained in influence in the Western Provinces. A large part of the strike activity in 1919 was under its influence, and its greatest fight was the general strike in Winnipeg, when the Winnipeg Trades and Labour Council, which was under its influence, took control of the municipal services. The movement embraced the farmers too; in some meetings farmers demanded a workers' and farmers' government. Demands made by labour, in addition to economic items, included the withdrawal of troops from Russia, the release of the political prisoners in Canada, a reorganization of the labour movement on an industrial basis, the dictatorship of the proletariat. The first conference of the movement, which took place in March 1919, sent fraternal greetings to the Russian workers and to the Communist Party of Germany.

During these years of greatly increased strike activity the Canadian proletariat acquired valuable experiences—but the leadership of the progressive movement within the trade unions

was not trained in political fighting, did not realize some of the essentials of the strategy and tactics of the labour movement, and after a relatively short time, the One-Big-Union movement lost its hold on the labour movement and some of its leaders returned into the official fold of reformist business trade unionism. The Communist Party, founded in 1922, was not able to take over the effective leadership of the labour movement. By 1923 the Canadian labour movement had lost the initiative; the high figures of strike days in 1924 and 1925 are 90 per cent due to the strikes of the miners against wage cuts.

There is a third period of considerable militancy among the workers which is not reflected in the above figures: the struggles of the unemployed workers—culminating in 1935 in the strike of the relief camp workers and in their march to Vancouver, where they seized the public library and forced the authorities to give them relief. From Vancouver they began the On-to-Ottawa trek, which was brutally stopped at Regina. Members of the Workers' Unity League were prominent in most militant actions of the workers during these years; the League took the initiative in the drive to organize the miners, garment workers and the lumber camp workers more effectively. The League, which in 1937 had more than forty thousand members, unified its movement in that year with The Trades and Labour Congress of Canada, the big trade union organization which at that time until 1939 comprised most of the Canadian unions, including those directed by the American Federation of Labor and the Committee, later Congress, of Industrial Organizations.

To-day the Canadian labour movement is sadly split. The American Federation of Labor officials of the Trades and Labour Congress forced through the expulsion of the Congress of Industrial Organizations unions from the central organization, although there is still collaboration between the unions belonging to the two organizations on a local scale.* The Catholic trade unions, under reactionary leadership, try to keep the increasing militancy of the workers in check. Many progressive labour leaders are imprisoned. And yet, the activity of the labour

* C.I.O., A.F. of L. and the Railroad Brotherhoods comprise roughly 60 per cent of the Canadian trade union membership; Canadian unions make up the remaining 40 per cent.

movement is increasing and 1939 and 1940 brought a number of fine successes (the cotton workers' strike in Milltown, and the thorough organization and strike activity of the seamen) in a period which generally is characterized by a deterioration of labour conditions. To-day the Canadian labour movement stands united behind the war waged against German Fascism.

APPENDIX TO CHAPTER II: LABOUR CONDITIONS IN CANADA

I. Tables

1. WAGE RATES IN INDIVIDUAL INDUSTRIES, 1901 TO 1940

(*1913 = 100*)

Year	*Building Trades*	*Metal Trades*	*Printing Trades*	*Electric Railways*	*Steam Railways*	*Coal Mining*	*Common Factory Labour*	*Logging and Saw-milling*	*Agri-culture**
1901	60	69	60	64	69	83	—	—	102
1902	64	70	62	68	72	84	—	—	103
1903	67	73	63	71	75	85	—	—	105
1904	70	76	66	73	77	85	—	—	107
1905	73	79	69	74	75	86	—	—	112
1906	77	80	72	76	79	87	—	—	116
1907	80	82	78	81	81	94	—	—	118
1908	82	85	81	82	86	95	—	—	123
1909	83	86	83	81	86	95	—	—	127
1910	87	89	88	86	90	94	—	—	133
1911	90	91	92	88	96	98	95	96	139
1912	86	95	96	92	98	98	98	99	146
1913	100	100	100	100	100	100	100	100	151
1914	101	101	102	101	101	102	101	95	*100*
1915	102	102	104	98	102	102	101	89	106
1916	102	107	106	102	106	112	110	110	123
1917	110	128	111	115	125†	131	129	130	189
1918	126	155	124	143	158	158	152	151	211
1919	148	180	146	163	184	171	180	170	237

1920	181	209	184	194	221	198	215	203	254
1921	171	187	193	192	196	208	191	153	207
1922	163	174	192	184	184	198	183	159	184
1923	166	174	189	186	186	198	182	170	189
1024	170	176	192	186	186	192	183	183	197
1925	170	175	193	188	186	168	186	179	198
1926	172	177	193	188	186	167	187	181	198
1927	179	178	195	190	198	168	188	183	203
1928	186	180	198	194	198	169	187	184	196
1929	198	185	202	199	204	169	188	186	194
1930	203	187	203	199	204	169	188	184	173
1931	196	183	205	199	199‡	169	183	163	136
1932	178	175	194	191	184	164	174	141	106
1933	158	169	184	183	180	162	168	122	100
1934	155	168	184	182	174	163	171	145	105
1935	160	170	185	184	184	166	175	152	111
1936	161	170	185	186	184	166	180	166	116
1937	165	187	188	191	196	167	196	188	124
1938	169	189	191	194	204	174	200	197	125
1939	171	190	192	195	204	175	201	194	131
1940	175	198	195	200	204	176	208	201	—

* Two series of wage figures; in the first one, 1900 is equal 100; it gives the rate of wages; the second one gives average wages of farm help as estimated by crop correspondents of the Dominion Bureau of Statistics; the wages are computed as yearly wages.

† Including some increases effected near the end of the year.

‡ Including a 10 per cent decrease for certain classes toward the end of the year.

2. WAGES IN CANADA, 1900 TO 1939

(*1900 = 100*)

Year	*Gross Money Wages*	*Net Money Wages*	*Cost of Living*	*Net Real Wages**
1900	100	100	100	100
1901	102	—	99	103
1902	105	—	100	105
1903	110	—	102	108
1904	111	—	102	109
1905	115	—	111	104
1906	119	—	117	102
1907	124	—	124	100
1908	128	—	122	105
1909	130	—	125	104
1910	136	—	130	105
1911	141	—	134	105
1912	147	—	141	104
1913	151	—	143	106
1914	153	—	146	105
1915	156	—	147	106
1916	170	170	156	109
1917	209	251	189	133
1918	242	285	216	132
1919	282	310	240	129
1920	327	349	272	128
1921	292	288	245	118
1922	274	266	225	118
1923	280	278	226	123
1924	285	269	222	121
1925	283	271	223	122
1926	285	278	225	124
1927	291	283	223	127
1928	292	283	223	127
1929	296	280	226	124
1930	292	246	223	110
1931	273	204	200	102
1932	251	162	183	89
1933	237	153	174	88
1934	241	170	177	96
1935	249	177	177	100
1936	254	187	180	104
1937	273	212	187	113
1838	280	202	189	107
1939	283	214†	187	114†

* 1900 to 1916 gross real wages; 1916 to 1939 net real wages.
† Preliminary figure.

II. Sources and Remarks

No book exists containing a general survey of labour conditions or of the history of the labour movement since industrial capitalism came to Canada. Useful material on the history of Canadian trade unionism can be found in Harold A. Logan's *History of Trade-Union Organization in Canada* (Chicago, 1928).

The statistics of wage rates in individual industries are taken from *Wages and Hours of Labour in Canada*, issued yearly as a Supplement to *The Labour Gazette*. The index of gross money wages is calculated by combining the general index of wages given in the above publication with the wage data on agriculture given in the same publication. The index of net wages combines the following wage-series: yearly earnings in manufacturing industries (cf. *The Canada Year Book*), earnings in coal mines (cf. *Wages and Hours of Labour in Canada*), yearly wages in agriculture (cf. *Wages and Hours of Labour in Canada*); from the resulting index wage losses through unemployment (1916 to 1920 trade union data, 1921 to 1939 general unemployment estimates, cf. *The Canada Year Book*, 1939 and 1940) were deducted. When combined, the individual wage-series were weighted according to the number of employed. The wage data for 1900 were taken from *Board of Inquiry into Cost of Living in Canada*, Vol. II, p. 427, Ottawa, 1915.

The index of the cost of living for the years 1900 to 1913 is composed of the following series: prices of food, fuel and lighting for the years 1900, 1905, 1909 to 1913 (above-mentioned cost-of-living inquiry, p. 76); prices of rent for the same years (above-mentioned cost-of-living inquiry, p. 379); weight given to rent (20 per cent of total cost of living); interpolations were made with the help of the index of wholesale prices (above-mentioned inquiry, p. 158). For the years 1913 to 1939 the official cost-of-living index was used.

The number of days worked in coal mines is given in the study on *Wages and Hours of Labour in Canada*. The productivity figures are given for the years 1917 to 1936 in *The Canada Year Book*, 1939, p. 421; figures for the years 1937 to 1940 added on the basis of data given in *Monthly Review of Business Statistics*, published by the Dominion Bureau of Statistics.

The data on strikes are published regularly in *The Canada Year Book* and in *The Labour Gazette*.

The statistical material for Canada is far better than that for India and superior also to that published in Great Britain. This holds true especially for the wage material, principally because of the regular publication of statistics of actual average earnings.

CHAPTER III

LABOUR CONDITIONS IN AUSTRALIA

AUSTRALIA is one of the most recently settled countries where the white population is dominant. Not until 1788 did colonization begin—one thousand and thirty people all told was the establishment which Captain Phillip brought to Sydney Harbour in that year. By the middle of the nineteenth century the population had increased to four hundred thousand, to which must be added an unknown number of coloured natives, the original inhabitants of the country. Fifty years later, in 1901, the population of the Commonwealth amounted to 3·77 millions, to which must be added about one hundred and fifty thousand aboriginals. To-day the Australian population is around seven millions, among whom are about seventy-five thousand aboriginals.

Australia was settled by British people, for some time chiefly by convicts. Till now, the British stock has predominated. The number of immigrants has fluctuated considerably; it was very high in relation to the population, of course, in the early years of the history of the Continent, but soon lost in importance. During the last eighty years, that is since 1861, the population rose by about six millions, of which only about one and a half million was due to the excess of immigration over emigration.

The economic history of Australia is one of the most interesting aspects of the history of capitalism. Australia was founded as a British colony and began her effective development as a pastoral country providing Britain with wool. In 1821 wool exports to England amounted to 175,433 lb.; by 1826 they had risen to 1,106,302 lb.; ten years later a figure of 5,000,000 was reached. By the beginning of the forties the average number of sheep per head of the population was about thirty. In 1850, out of total exports to the value of £3,588,000, 55 per cent are wool exports.

In the beginning of the forties, and much more in the begin-

ning of the fifties, the economic situation, and with it the whole character of Australian economy, begin to change fundamentally. True, agriculture, including the pastoral industry, remains the dominant industry, but its rôle becomes that of a basis and background while another industry really determines the character of Australian economy. Agriculture remains the base upon which Australian economy stands, but another industry determines the velocity of its growth and the peculiar features it develops: this other industry is mining. Not simply mining, however, but mining accompanied by temporary gains for a vast number of people and for the time being by enormous super-profits. And furthermore, not merely accompanied by temporarily enormous super-profits, but by super-profits made at the expense of the whole world, and not at the expense of Australian workers or Australian capitalists engaged in non-mining enterprises only.

It began with copper: the first important copper mine, the Kapunda, was opened in 1842, to be followed shortly, in 1845, by the famous Burra Burra mine, which paid £800,000 in dividends to the original owners. But more important discoveries were to follow: in 1851 large gold deposits were found in New South Wales and Victoria and from that time, all through the nineteenth century, sensational new discoveries were made, bringing gigantic profits to those who were first in the field and knew how to keep what they had gained. The following table shows the history of gold discoveries by individual states from the date of the big finds until the period of what might be called extraordinary super-profits had passed:

VALUE OF GOLD PRODUCTION IN INDIVIDUAL STATES

States	*Year*	*Value in £ Million*
New South Wales	1851	0·5
	1852	2·7
	1853	1·8
	1855	0·7
	1862	2·5
Victoria	1851	0·6
	1852	11·0
	1853	12·6
	1858	10·1
	1859	9·1
	1860	8·6

VALUE OF GOLD PRODUCTION IN INDIVIDUAL STATES—*continued*

States	*Year*	*Value in £ Million*
Queensland	1866	0·1
	1869	0·5
	1872	0·6
	1878	1·1
Tasmania..	1876	0·0
	1878	0·1
	1879	0·2
	1881	0·2
South Australia	1879	0·0
	1881	0·1
	1887	0·1
Western Australia	1889	0·1
	1892	0·2
	1894	0·8
	1897	2·6
	1903	8·8

Again and again, new discoveries of gold give a new spur to the rapid accumulation of super-profits. To this must be added other discoveries: in the early eighties immensely profitable silver mines were discovered in New South Wales; between 1883 and 1885 the silver exports from New South Wales increased fifteenfold. After the valuable copper discoveries in 1842 and 1845, the opening of the Wallaroo and Moonta copper mines in 1860 and 1861 gave a great fillip to the creation of super-profits.

True, the classic example of the creation of super-profits is the economic exploitation of India by British capitalism. There, the creation of super-profits through robbery of the agricultural population, through the most cruel exploitation of the industrial workers, through the suppression of every movement of political and economic liberation, has been developed "on classic lines." The history of British capitalism in Australia is an altogether different story: it is the story of an ever fresh creation of super-profits chiefly through the discovery of new raw-material resources, which are superior to those in existence on account of their high yield and the cheapness of production for the original proprietors.

To this we must add the very important fact that the country has always been agricultural, and that food was therefore

relatively cheap; and, what is more important, that other agricultural countries could not share in the super-profits through exports to Australia of agricultural commodities at raised prices.

If we keep in mind these two fundamental facts—creation of large super-profits through the exploitation of raw material sources, and the relative cheapness of agricultural production—and if we furthermore remember that the population of the country is almost entirely white, and finally, that it is very small and that immigration is expensive, we can realize that, objectively, labour in Australia is in a very favourable position towards capital. Australia, in the nineteenth century, is an exception among colonies because a very large share of that part of the super-profits which the British ruling class has usually put aside for the corruption of parts of the proletariat in Britain remains in the colony for the benefit of colonial labour. The Australian worker, partly by his own efforts and partly favoured by economic and geographical circumstances, has not only shared in the same benefits which the trade unionists in Britain gained for themselves in the second half of the nineteenth century; his benefits have probably been relatively greater and have been distributed among a greater percentage of the workers than in Britain herself. And that, in spite of the fact that the share of British investments in total Australian investments has increased during the nineteenth century, in spite of the fact, to express it differently, that the share of "native property" in the total property of the country has declined.

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Before we begin in the following pages to study in more detail the development of labour conditions, it should be remarked that, while on the one hand the statistical material available is probably more extensive and of better quality than for other countries, the total number of people with whom we deal is very small. Wage statistics, in fact, go back to the early twenties of the nineteenth century, when the total population amounted to less than forty thousand people, excluding the aboriginals who did very little wage work and who never were a competitive labour force of importance. On the other hand, it

is important to set against this the fact that while the population of the country is even to-day very small, the percentage of people living in the big cities has always been very great. The following table makes this very clear:

POPULATION IN EACH CAPITAL AS PERCENTAGE OF THAT OF THE WHOLE STATE IN 1871 AND IN 1936

Capital	*1871* *per cent*	*1936* *per cent*
Sydney	27·3	47·3
Melbourne	28·3	55·0
Brisbane	12·5	31·9
Adelaide	23·0	53·8
Perth	20·7	47·0
Hobart	18·8	26·2

The proportion of the population living in the capital of each state is very high indeed, and has increased rapidly. Therefore, the proletariat plays a considerable rôle in certain places and can function effectively because its distribution over the country is favourable to strong action in the political and economic centres of the country.

* * *

Labour in Australia was originally made up of free labour and convict labour; the latter played a numerically considerable rôle during the first fifty years of the colony. It is most interesting to study the conditions of labour in that early period of the colony, for here an attempt is made to transplant conditions of slavery into capitalist society. True, until very recently one could observe chain gangs working in the United States, in quarries, in road building, etc. But these were special tasks set to convicts; the convict labour system has never played an important rôle in American economic society during the last sixty years, and the system of slavery before the Civil War was confined to the agricultural South. In Australia, however, almost all workers, originally, were convicts.* When free labourers came over they quickly succeeded in mastering the situation because free labour was better labour—better in quality and better in efficiency.

* Among them were a number of trade unionists who were deported for their political activities.

Various attempts by Australian capitalists to use convict labour in competition with free labour in order to lower the standard of living of free labour did not succeed in the end. Soon the free mechanic was as much master of the labour situation as labour can be master of anything under capitalism. The dream of every capitalist to have white slaves was very soon shattered in Australia by the healthy clamour of a vigorous labour movement.

Attempts to fetter the labour movement by the application of combinations laws were quickly doomed to failure. The first case of which we hear (against the coopers in Sydney) is also almost the last, the law being repealed in 1825. By 1837 the labour movement had already progressed far enough for the organization of a general strike of the seamen and labourers employed in fitting out ships; in spite of official interference on the side of the merchants the strike was victorious for the workers and they succeeded in obtaining higher wages.

During all this time, labour was favoured by its scarcity. True, the workers soon learned about unemployment, but during the phases of prosperity in the trade cycle, wages often rose rapidly because there were only relatively few workers, especially skilled workers. The employers tried to organize immigration on a large scale, sometimes by sending agents to Europe, who gave fantastic promises to prospective emigrants. As early as in 1833 the workers answered such attempts by drawing up a schedule of wages, giving the lie to exaggerated claims for working conditions in Australia. On the whole—in contrast to conditions in the United States—the Australian workers did not suffer heavily from immigrant competition.

While Australian labour was active and vigorous, while already early in its history it gained splendid victories, and while they often succeeded because they were already acting as a united body—united by trade or united locally—one must not imagine that labour conditions were much better than in England, or that the cohesion of the labour movement at that time was greater than in other countries. A number of unions were already formed during the twenties and thirties, but there was no question of an organized trade union movement; that came very considerably later. As regards labour conditions, a few facts will correct any rosy pictures which might be formed

as a result of the vigorous labour movement. The minimum working day in the early forties was the ten-hour day, excluding two hours for rest. Many workers worked sixteen and even seventeen hours. Of the little more than ten thousand labourers and mechanics at that time, many were unemployed during periods of crisis and depression. Housing conditions were very poor indeed. Relief, always demanded from the Government when there was a crisis, was very meagre. Absence from work by a free servant, if no permission was given by the master, was punished by prison sentence.

There are a number of wage data available, not enough to compute a general wage index, but enough to get a very rough picture of the development in the decades preceding the discovery of gold.

WAGES BEFORE 1850

(*1900 = 100*)

	Building Trade Workers		*Quarrymen*	*Metal Workers*	*Agricultural Workers*
Year	*New South Wales*	*Tasmania*	*Tasmania*	*New South Wales*	*New South Wales*
1823	60	—	—	62	55
1824	—	145	—	—	—
1825	—	145	—	—	—
1826	—	133	—	—	—
1827	—	133	—	—	—
1828	—	121	—	—	—
1829	—	121	—	—	—
1830	—	121	—	—	—
1831	—	101	—	—	—
1832	—	97	—	—	—
1833	55	90	—	72	55
1834	—	90	—	—	—
1835	66	84	—	72	55
1836	67	81	—	69	55
1837	—	81	—	—	—
1838	65	75	—	72	61
1839	—	90	85	—	—
1840	75	90	85	72	70
1841	—	80	78	—	—
1842	—	89	85	—	—
1843	51	84	77	52	38
1844	41	58	46	41	38
1845	41	68	62	41	47
1846	53	66	46	53	52
1847	56	59	46	57	60
1848	53	58	49	54	54
1849	48	73	54	49	48

Without looking at the food cost figures which follow, we can learn several facts from this table. Firstly, wages in those early years of the colony did not move uniformly in the different parts of the country. While wages in New South Wales seem to have remained fairly stable, probably with a tendency to increase during the late thirties, followed by a decrease of wages during the forties, wages in Tasmania showed a rapid decline. Secondly, over the century as a whole, wages in different occupations have moved, within the same part of the country, fairly uniformly: in New South Wales, money wages of agricultural, building trade and metal workers were uniformly lower by 35 to 45 per cent in the early twenties than at the end of the century; and in Tasmania, at the end of the thirties, wages of building trade workers and wages of quarrymen were between 10 and 15 per cent lower than at the end of the century. There are no reliable cost-of-living data in existence for this early period of Australian labour. H. G. Wood, basing himself on data published by T. A. Coghlan for New South Wales, has, however, constructed a rough index of wages, of food costs, and of real wages, that is wages measured by the cost of food:

MONEY WAGES, COST OF FOOD AND REAL WAGES, IN NEW SOUTH WALES, 1821 TO 1852

1821–1837 = 100		*1823–1837 = 100*	
Years	*Money Wages*	*Cost of Food*	*Real Wages*
1821–37	100	100	100
1838–42	115	103	112
1843–52	77	71	108

From this table we gain the impression that real wages over the thirty years under review have increased a little. The little information we have on housing conditions makes us, however, doubtful whether this applies to the standard of living as a whole. Very probably, the standard of living remained at best only about stable. Furthermore, it is very doubtful whether the data for New South Wales are indicative of conditions in the colony as a whole. The most cautious concrete statement which one can make on the basis of available data is that the standard of living from the beginning of the twenties to the end of the forties probably changed very little and was on a very low level.

* * *

The second period in the history of Australian labour is determined in its character by the gold discoveries. These gold discoveries had a very important influence not only upon conditions among capitalists, but also among the masses of the people. At the time of the first discoveries especially almost everybody went out to the goldfields and very little capital, indeed, was needed to get the gold. In 1851 Melbourne was quite rightly described as a city of women and children, and in other places conditions were similar. Labour outside of the gold fields was extremely scarce and wages rose rapidly. A wage table for New South Wales in 1852, that is already after the large initial wage increases for those who were not mining gold, shows the following movement:

WAGES IN NEW SOUTH WALES IN 1852 (s. and d.)

Occupation	*1st Quarter*	*2nd Quarter*	*3rd Quarter*	*4th Quarter*
Carpenter ..	7·0	8·0	9·6	11·0
Blacksmith ..	8·6	8·6	10·0	11·6
Wheelwright ..	8·6	8·6	9·6	10·0
Bricklayer ..	7·0	8·0	11·0	11·0
Mason	8·9	8·9	10·0	11·0

Wages within a single year moved up by 50 per cent and more. Gold prospecting and mining brought money to a great number of people, labourers and mechanics, artisans and shopkeepers, as well as to the capitalists. Much of it was lost through high prices—but by no means all; much of it was lost by gambling and high living; much of it was lost through fraudulent banks, etc.; much of it was lost in subsequent periods of unemployment and hunger and misery. But some of it remained; some of it definitely raised the standard of living of the working class. The moral element in society, the moral factor in the living standard underwent a change. Just as a motor-car is part of the standard of living of the skilled worker in the United States, without his being less exploited than the British worker, so a number of things began to be part of the standard of living of the Australian worker, which definitely raised his standard of living on to a higher level—without decreasing the rate of exploitation, without increasing his social security, without lifting him out of the rut of that existence which capitalist con-

ditions, as long as they exist, decree as the inevitable fate of every worker.

When a new and rich goldfield was discovered, it was usual that at first everybody could gain something, because the gold was ready to be "collected." But before very long this kind of gold mining practically ceased. Real mining operations became necessary, and that meant that the small man had to drop out of the game, that the capitalist with machinery and tools began to monopolize the mining of gold.

* * *

During the second period of the industrial history of Australia, which naturally coincides with the second period of the history of Australian labour, labour conditions improved for some time. This improvement was due partly to the facts described above, and partly to the energy and militancy and high ability of the labour movement, which we can observe over the period as a whole.

We will begin the study of labour conditions during the second period with a table of wage rates in some important industries.

WAGES IN INDIVIDUAL INDUSTRIES, 1851 TO 1903*

(*1900 = 100*)

Trade Cycle	*Building Trade Workers*	*Metal Workers*	*Common Labour*	*Agriculture*	*Total*
1851–60	145	131	132†	136	125
1861–72	97	93	94	100	93
1872–80	106	104	103	112	100
1881–86	112	106	112	117	105
1887–95	100	100	106	110	101
1896–1903	97	98	97‡	98	98

On the whole, wages in individual industries have moved on parallel lines. There are no industries which show a development different from that of the general trend; on the contrary, the movement of wage rates in different industries is extraordinarily even.

But while wage rates in different industries are moving on

* Wages by individual years, see Appendix to Chapter III.
† 1854–1860 only. ‡ 1896–1901 only.

almost identical lines through the entire half-century under review, these wage rates have fluctuated from year to year very considerably. During the fifties, the years of the first gold discoveries, wage rates rose very rapidly, by 200, 300 per cent or more. During the sixties wage rates moved down again, though not down to the level of the beginning of the fifties. During the seventies wage rates moved up again, remained stable for some years, and then began to decline once more during the nineties. When the turn of the century approached wage-rates once more rose.

In order to measure the movements of the purchasing power of the workers we have to look first at the changes in the cost of living. Unfortunately, I have found material sufficient only for the construction of an index of food prices. If we then divide the index of food prices into the index of money wages, we arrive at a rough index of the purchasing power of the workers.

FOOD PRICES AND REAL WAGES, 1851 TO 1903*

(*1900 = 100*)

Trade Cycle	*Food Prices*	*Real Wages*
1851–60	180	69
1861–72	118	80
1872–80	117	86
1881–86	123	86
1887–95	113	90
1896–1903	108†	90

During the first period of the gold discoveries, in spite of inflationary tendencies, real wages rose. It is a very rare occurrence in the history of capitalism that real wages rise during an inflation. But the circumstances, as I have explained before, were peculiar: the agricultural hinterland which made profiteering from abroad through imports difficult, and the fact that the first phase of the gold discoveries meant gold for a very large number of people and not for a small number of capitalists, were of decisive importance.

Even after the decline of real wages during the second half of the fifties, when capitalist mining began to spread, the real

* Prices and wages by individual years, see Appendix to Chapter III.

† 1902 and 1903, figures for cost of living as a whole.

wage level remained considerably above the level preceding the gold discoveries. At the end of the sixties real wages began to rise again and by the beginning of the seventies they reached a level which corresponds to that of the end of the century. Since the beginning of the seventies, real wages have fluctuated somewhat, but on the whole they remained on approximately the same level. By the beginning of the seventies, real wages had reached that level which determined the purchasing power of labour for a whole generation.

While these figures show the trend of the development correctly, one must be cautious in using them in reference to their year to year changes; moreover, it is probable that the inclusion of the changes in rents might have slightly depressed the level of real wages during the last decades of the century.

If we look at the development of wages in Great Britain during the same period, we find that there is an interesting difference between the rise of wages in Britain and Australia. In the following table we give the figures for the two countries by trade cycles.

REAL WAGES IN GREAT BRITAIN AND IN AUSTRALIA, 1843–1903

(*1900 = 100*)

Great Britain		*Australia*	
Trade Cycle	*Net Real Wages*	*Trade Cycle*	*Gross Real Wages*
1843–49	53	1841–50	(about 40)
1849–58	57	1851–60	69
1859–68	63	1861–72	80
1869–79	74	1872–80	86
1880–86	80	1881–86	86
1887–95	91	1887–95	90
1895–1903	99	1896–1903	90

In Britain real wages increased fairly steadily from trade cycle to trade cycle (which, of course, as we have explained, does not mean that living and working conditions improved steadily). In Australia real wages increased rapidly during the fifties and the sixties—about as rapidly as in Britain during the whole sixty years under review—but in the following decades, changes were very small. In fact, it would not be surprising if a more comprehensive and more detailed investigation than mine should show that in Australia real wage averages by trade cycles have remained almost stable since the beginning of the seventies.

The decisive period for Australian labour was undoubtedly that of the fifties and sixties, when gold discoveries by the masses of the people, combined with a vigorous labour movement, definitely raised the standard of living. Since then, up to the end of the century, the living standard of the workers has in all probability deteriorated absolutely, and also in comparison with conditions in Great Britain. For, while real wages still show a small improvement, other factors, such as the increasing intensity of work, have amply contributed to counterbalance this.

* * *

The labour movement during the fifties and sixties is characterized by a combination of unsteadiness and, in some respects, high quality of leadership; by disorganization, and at the same time by a high degree of class consciousness. The most famous conflict of this time took place in 1854, three years after the first gold rush: the Eureka Stockade, named after the rough defences erected by the miners on the goldfields in Ballarat. Soldiers and miners were killed in this battle against "taxation without representation," against the system of gold mining licences, and for manhood suffrage, abolition of property qualification for members of parliament, payment of members, short-term parliaments, equal electoral districts, and the secret ballot. Chartist influence was great but the miners who fought this battle were more successful than their brothers in England. Though beaten in the field, the courts had to acquit those who had been arrested, and in the course of a few years many of the demands of the miners were fulfilled in the province of Victoria.* While many trade unions were founded during the years following the gold discoveries, few of them have had a long life. But during their short period of existence, they did excellent work. Two strikes in particular, while both were only semi-successful, show the high level of trade union strategy and tactics. One was the strike of the miners in New South Wales in 1861. Before preparing for action, they realized the necessity of making it impossible for the employers to accumulate large

* Cf. the interesting study by Brian Fitzpatrick, *A Short History of the Australian Labour Movement*.

stocks; consequently, they limited the amount which the union members were to earn per week on piece work. The second step of the union was to clear the Newcastle field of non-union labour. When they tried to do this, the company answered provocatively with a reduction of piece rates. Six hundred men walked out. The company tried to move the stocks it had by sea, using non-union labour. The unionists attacked the strike breakers. Police were set on them. Then the miners' wives came to the battlefield and engaged the strikebreakers in hand-to-hand fights. The wives, in contrast to their husbands, were successful. At the same time, public opinion began to swing around to the side of the miners. A "reconciliation committee" was formed. Unfortunately, the funds of the union were almost exhausted. On the other hand, the employers were not very happy about the situation. So a compromise was reached: the wages were restored to their former level (success for the workers) but the union was not recognized as the sole provider of labour (success for the employers); in fact, the union ceased to exist (the usual fate of the unions at that time after a short and often brilliant existence). The second and most interesting strike was that of the masons of Victoria. This began in 1858 and lasted with interruptions throughout the following year. The strike was directed against wage cuts, against attempts to lengthen the working day, and against the practice of subcontracting. In order to strengthen their position the contractors organized, through an agent sent to Germany, the immigration of four hundred and fifty men at a lower wage rate for a longer working day. How did the masons answer this manœuvre? When the first two hundred men arrived in November 1859 they were met by representatives of the masons, who explained the situation to them. The German masons declared at once that nothing was further from their intentions than to act as strikebreakers, but that they had to live somehow; and asked for advice. The masons replied that they would act as the hosts of the Germans until the latter had found other work than strikebreaking. When, shortly afterwards, two hundred more men came from Germany, the funds of the union were very low and they were not able to take care of the new arrivals in the same manner; many of the new arrivals did work on the struck jobs, but their

work was inferior to that of the Victoria masons. In the end, the union had to give up the fight and the employers were successful in all points, except the lengthening of the working day. The working day of the masons was the eight-hour day, which was gained for practically all skilled workers in Victoria in 1856. Victoria was the first large district in any capitalist country to gain so short a working day.

The curious mixture of characteristics of the labour movement described and exemplified above is due chiefly to the fact that British experience was inoculated into Australian youth: hence the combination of shrewdness and experience on the one hand and short-lived vigour and cohesion on the other. But even in those cases where British experience does not come in we notice a very healthy suspicion of the traps which the employers or the Government may have laid. This is especially interesting to observe in the case of the many attempts of unemployed workers to force the Government to institute public works at trade-union rates. Again and again the Government began large scale public works in order to provide work for the unemployed—but at wage rates below those prevailing on other work—and again and again we find the mechanics preferring to march hungry through the streets of Melbourne or Sydney than to accept work at under-cut rates.

This great period in the history of Australian labour comes to an end about twenty years after the discovery of gold. It coincides with the period when real wages were rapidly increasing. It coincides also with the improvement of labour conditions in other aspects, especially the shortening of the working day, which for the skilled workers came much sooner in Australia than in other capitalist countries. True, the unskilled worker did not share equally in the advantages reaped by the skilled workers. True, housing conditions for all workers remained deplorable. True, the intensity of work, especially for those workers who worked in factories, began to increase steadily. But in spite of all these drawbacks, one can compare the years from 1850 to 1870 with the golden age of the British labour aristocracy which covers approximately the same years. It would probably be true to say that conditions improved even more in Australia than in Great Britain, and that in Australia a larger

part of the proletariat shared in this improvement than in Britain.

The economic improvement in the status of the labour aristocracy finds its fitting political expression in the terms of the settlement of the famous strike of the Newcastle miners in 1873. The most important part of these terms is described by Mr. T. A. Coghlan as follows:*

"Any differences arising after the signing of the agreement, in regard to wages, were to be settled by conference or by arbitration. The miners were to be represented at any such conference by the district officers and delegates of the Coal-miners' Association, and the Associated Masters by a person representing each colliery and the manager of each colliery. A conference was to be held within twenty-eight days of the date on which it was demanded, and if such conference failed to arrive at a settlement of the question in dispute, the matter was to be reduced to writing and submitted to a Court of Arbitration composed of four 'disinterested persons' and an umpire, each party to the dispute naming two of the arbitrators, and the arbitrators themselves choosing the umpire. The Court of Arbitration was required to deal with a question referred to it within fourteen days, and any matter decided by the court was not to be reopened for twelve months.

"This is the first example in the history of Australia of the full recognition of collective bargaining as a principle and not as an isolated phenomenon, as in the agreement of 1873 the miners' union was recognized as the representative of the miners in every difficulty that might arise. This connoted a complete change in the attitude of the employers towards the union, for previously they had frequently refused to recognize the miners' officials."

Labour had forced the employers to recognize the union as the bargaining agency of the workers. But as the terms show, labour also had fallen into the trap of compromise bargaining. Innumerable examples in the history of labour during the last seventy years show that such agreements sap the militancy of labour. While, therefore, the recognition of the union connotes the victory of labour as an organized movement, and, therefore,

* *Labour and Industry in Australia*, vol. iii, pp. 1427–28.

seems like the culminating success of the fights of the preceding twenty-odd years, at the same time this victory is the beginning of the new phase of the labour movement which is characterized by the definite separation of the skilled workers from the great mass of the workers, by the formation of a labour aristocratic trade union circle getting more and more out of contact with the rank and file and with the masses of unorganized and unskilled workers.

It was the trade union bureaucracy which deprecated the visit of Henry George in 1890 because he was for free trade, and the bureaucracy had joined the Government crusade for protection and high tariffs; because George was for a revolution of conditions on the land, while the bureaucracy clung to their small freeholds. All the more enthusiastic was the welcome given to him by the masses of the people. It was the trade union bureaucracy which, through high entrance fees, succeeded in making many unions into privileged clubs. It was the trade union bureaucracy which kept the unions aloof from unemployed demonstrations, for the unemployed were a "disorderly crowd" and not respectable. It was the trade union bureaucracy which discouraged strikes and favoured compromises at the conference table.

This does not mean, of course, that there were no strikes. This does not mean that there were no heroic struggles for better living and working conditions. This does not mean that all trade unions, including their leadership, had become opportunist organizations. But it does mean that the greatest chapter in the history of Australian labour had come to an end, and it also means that exploitation and the holding down of working class standards of living were accomplished with considerably more success than before, that the masses of the labour movement were kept ignorant of the chief issues between labour and capital, that the energy of labour was diverted into channels which were agreeable to the employers, and that progressivism in the labour movement was dead.

Shortly after similar conditions had changed in Britain, the Australian scene was lit up by the great maritime strike of 1890 in which the pastoral workers and miners, the carters and drivers and other trades, joined. International solidarity was strong;

British unions sent more than £4,000. The forces of the state were brutally used against the workers. "Fire low and lay 'em out!" was the instruction to the Melbourne mounted infantry. The strike was lost but new life was infused into the labour movement. Within a few years we see the creation of labour parties in the different colonies, and—in contrast to Britain—these parties succeeded quickly in gaining a position of importance in the various parliaments. At the same time the hold of the old bureaucracy upon the unions was weakening and in many places a drive was begun to organize the unskilled and unorganized workers. The development of labour conditions in this new period of the history of Australian labour, a period which is not yet ended, will be studied in more detail in the following pages.

* * *

The following table surveys the development of wages in individual industries during the present century:

WAGES IN INDIVIDUAL INDUSTRIES, 1904 TO 1939*

(*1900 = 100*)

Trade Cycle	*Engineering*	*Food and Drink*	*Clothing Boots*	*Building*	*Mining*	*Railways*	*Agriculture*
1904–13	106	111†	130†	115	107	108†	125
1914–21	149	159	182	154	150	144	205
1922–32	199	216	253	209	200	190	274
1933–39	184	202	230	194	184	172	240

While, during the fifty years from 1850 to 1900, we could observe a remarkable similarity between the movement of wages in different branches of industry, conditions were quite different during the following forty years. Before the world war began, two industries showed increases of wages out of proportion to those in the other industries: the clothing industry and agriculture, two industries which employ a large number of unskilled workers, two industries, at the same time, which paid very low wages and in which a very large percentage of unskilled workers were unorganized before the close of the century. When the world war ended, these two industries remained in their forward posi-

* Wage data by individual years, see Appendix to Chapter III.
† 1906–13 only.

tion. While in other countries the workers in the iron and steel industry received larger wage increases during the war than the workers in other industries, in Australia, they have not had the same success. Not only are the workers in the engineering industries not among those who have gained more in money wages than the others, but another industry employing a large percentage of unskilled workers, the food and drink industry, had joined the other two with outstanding wage rate increases. By the end of the twenties, however, the food and drink industry had relapsed into its former position. By the end of the thirties the clothing industry and agriculture remain in the lead, no other industry approaching their relative wage level (relative to conditions in 1900) by 10 per cent. The next group of industries, the centre group, is made up of the engineering industry, the food and drink industry, and the building industry. The mining industry and the railway industry show the smallest increase in wages since 1900, though the difference between these two industries and the centre group is smaller than that between the centre and the industries showing a relatively large money wage increase.

If we combine the wage indices for the individual industries and compute both wage losses and, with the help of the cost of living index, real wages, then we get the following picture of the development of wages during the twentieth century:

WAGES IN AUSTRALIA, 1904 TO 1939*

(*1900 = 100*)

Trade Cycle	*Gross Money Wages*	*Net Money Wages*	*Cost of Living*	*Net Real Wages*
1904–13	113	117†	119	96
1914–21	160	158	184	86
1922–32	223	209	198	105
1933–39‡	202	186	174	106

In order to be able to survey the whole of the development of real wages we repeat in the following table the figures since 1841.

* Wage and Cost of Living figures by individual years, see Appendix to Chapter III.

† 1906–1913 only. ‡ Incomplete cycle.

REAL WAGES, 1841 TO 1939

(*1900 = 100*)

Trade Cycle	*Real Wages*	*Trade Cycle*	*Real Wages*	*Trade Cycle*	*Real Wages*
1841–50	(about 40)	1881–86	86	1914–21	86
1851–60	69	1887–95	90	1922–32	105
1861–72	80	1896–1903	90	1933–39	106
1872–80	86	1904–13	96		

The first twenty years of the new century did not bring any improvement in real wages; on the contrary: during the trade cycle 1914–21 the level of real wages was lower than at any time since the trade cycle 1872–80. In fact, one can say that for fifty years the purchasing power of the worker fluctuated without showing any definite tendency to increase. If we remember that during the same time the intensity of work continued to increase we do not need much additional material to realize that conditions of labour in Australia between the beginning of the seventies and the beginning of the twenties have deteriorated. During the twenties real wages increased sharply. The incomplete cycle 1933–39, though it does not include an economic crisis, shows practically no increase of real wages.

* * *

It is of interest to compare the development of wages of men and women; good statistical material makes such a comparison possible; probably no country, with the exception of the United States, has made available such detailed differentiating wage material as Australia has for the last twenty-five years:

HOURLY WAGES OF ADULT MALE AND FEMALE WORKERS

(*April 1914 = 100*)

Year Dec.	*Male Workers*	*Female Workers*	*Year Dec.*	*Male Workers*	*Female Workers*
1914	101	101	1927	192	213
1915	103	101	1928	193	217
1916	111	105	1929	194	218
1917	116	113	1930	185	213
1918	121	119	1931	168	191
1919	138	141	1932	158	178
1920	166	173	1933	157	175
1921	178	192	1934	159	180
1922	173	189	1935	162	182
1923	177	194	1936	166	188
1924	177	195	1937	177	202
1925	183	200	1938	183	209
1926	190	208			

Up to the end of the war female wages rather lagged behind the increase in wages of male workers. After the war, however, the wages of women workers spurt ahead and are, by 1923, already relatively higher by 10 per cent than those of men—since the absolute amount of female wages is considerably below that of male wages (they are even to-day little more than half of the men's wages), one can say that the gap is being decreased slowly. After a short period of stability women's wages continue to move on a slowly increasing higher relative level than the wages of men. By 1930 the difference is 15 per cent; during the middle thirties the development seemed to take an unfavourable turn, but at the end of the thirties conditions prevailing in the beginning of the decade were restored.

On the whole one can say the relative position of women has improved since the end of the war.

* * *

While wage conditions during the twenties showed a definite improvement, the social security of the worker was lessened to a very serious degree; unemployment began to move on a considerably higher level than ever before:

UNEMPLOYMENT, 1901 AND 1906 TO 1939

Year	*Percentage*	*Year*	*Percentage*	*Year*	*Percentage*
1901	6·6	1916	5·8	1928	10·8
		1917	7·1	1929	11·1
1906	6·7	1918	5·8		
1907	5·7	1919	6·6	1930	19·3
1908	6·0			1931	27·4
1909	5·8	1920	6·5	1932	29·0
		1921	11·2	1933	25·1
1910	5·6	1922	9·3	1934	20·5
1911	4·7	1923	7·1	1935	16·5
1912	5·6	1924	8·9	1936	12·2
1913	6·5	1925	8·8	1937	9·3
1914	8·3	1926	7·1	1938	8·7
1915	9·3	1927	7·0	1939	9·7

During the twenties that level of unemployment, which formerly was regarded as a crisis and depression level, became normal, and the crisis level reached extraordinary heights. The security of the worker, his job-finding ability, had declined

rapidly because of the changes in the structure in Australian capitalism which in this respect closely follows that of British, German and American capitalism. True, real wages increased during the twenties, but the enjoyment of increased real wages seriously diminishes if the chances of keeping the job have declined and the spectre of unemployment haunts the worker. I have mentioned before the fact that the intensity of work increased considerably during the period under review; it increased more than ever during the twenties and the thirties. The combined pressure upon the standard of living of the worker by increased unemployment and increased intensity of work certainly more than outweighs the increase in real wages. Few can doubt the fact that in spite of a short-lived increase in real wages during the twenties, the standard of living of the Australian workers has continually declined since the passing of the period following upon the gold discoveries.

* * *

During the last twenty-five years, that is, the period for which we have regular and reliable statistics of the number of hours worked per day, the working day has been shortened. Not regularly from year to year, but the tendency is obvious:

HOURS OF WORK PER WEEK*

(*1914 to 1938*)

Year	*Working Week*	*Year*	*Working Week*	*Year*	*Working Week*
1914	48¾	1922	46½	1931	45½
1915	48¾	1923	46¾	1932	45½
1916	48½	1924	46½	1933	45¼
1917	48	1925	46½	1934	45¼
1918	48	1926	46	1935	45¼
1919	47½	1927	45½	1936	45
		1928	45¼	1937	45
1920	47	1929	45¼	1938	44¾
1921	46¼	1930	46		

Within six years, from 1914 to 1920, the working week was shortened by almost two hours. During the following six years progress was considerably slower. During the third series of six

* For male workers only.

years almost no progress was made. In the years before the war the decrease in the number of hours worked per week began to accelerate again—a movement which has been switched into reverse by the circumstances accompanying the regulation of working conditions during the present war.

* * *

The system of social legislation in Australia is far superior to that in most other countries. Special attention has been given for more than thirty years to the fixing of a minimum or basic wage which, from the point of view of the workers, was intended to guarantee a minimum standard of living to every employed worker; or, as Justice Higgins expressed it, the basic wage is understood to mean the lowest wage which can be paid to an unskilled worker on the basis of "the normal needs of an average employee regarded as a human being living in a civilized community."

One might perhaps expect that much space should be given in this study to a detailed description of the social legislation in Australia, which by many writers is held as an example to other countries. Yet such a detailed description might give the impression that this legislation has led to a standard of living and security in Australia which is far superior to that in other countries. Such an impression would definitely be wrong. The lack of social legislation does decidedly worsen the fate of all those workers affected by unemployment, sickness, old age, and so on. But the existence of social legislation does not do away with the fundamental evils of capitalism. True, the basic wage, if enforced, guarantees a minimum standard of living. But who guarantees the basic wage? Only the organized force of labour. And this organized force was too weak in 1931 to enforce the basic wage. On the contrary, the Commonwealth Court of Conciliation and Arbitration decided that the basic wage should be lowered by 10 per cent because Australian industry was not able to maintain the standard of living of the workers at the level hitherto prevailing. The standard of "civilization" was quite suddenly lowered. Thus we see that the "basis" is elastic according to the strength of the employers and the workers.

Social legislation in Australia might have created a precedent for other countries if each new law and regulation favourable to labour had been used as a stepping-stone to further progress by labour. But just the contrary occurred. After the new impetus given to the labour movement through the events in 1890 and the following years, after the first wave of social legislation had spent itself, the labour leaders, especially in the trade unions, tended again to become complacent, social legislation having, in this case, the effect of social doping.

* * *

True, after the nineties the trade union movement made very rapid progress. The plan to organize new sections of the workers was put into effect with more success than in any European or American country. Membership in the trade unions increased as follows:

TRADE UNION MEMBERSHIP

Year	*Members*	*Year*	*Members*
1891	55,000	1921	703,000
1901	97,000	1931	769,000
1911	365,000	1939	915,000

Australia is one of the few countries in which the trade union movement continued to gain members after the first post-war years. The high percentage of organization is obvious from the following:*

PERCENTAGE ORGANIZATION OF ALL WORKERS

Sex	*1912 per cent*	*1925 per cent*	*1938 per cent*
Men	44	58	50
Women	8	34	33

All in all, about 46 per cent of the adult workers of Australia were organized in the trade unions in 1938. If we keep this

* The total number of "workers" to which the trade union membership is related includes all wage and salary earners, including managers, etc., that is, a not inconsiderable number of people not eligible for trade union membership. The percentage of organization, therefore, is really higher than the above figures indicate.

high percentage in mind, then the following statistics of strike activity are all the more surprising:

STRIKES, 1913 TO 1939

(*Thousands*)

Year	*Striking Workers*	*Working Days Lost*	*Year*	*Striking Workers*	*Working Days Lost*
1913	50·3	622·5	1927	200·8	1,713·6
1914	71·0	993·2	1928	96·4	777·3
1915	81·3	683·0	1929	104·6	4,461·5
1916	170·7	1,644·8			
1917	174·0	4,689·3	1930	54·2	1,511·2
1918	56·4	539·6	1931	37·7	246·0
1919	157·6	4,303·7	1932	32·9	212·3
			1933	30·1	112·0
1920	155·6	3,587·3	1934	50·9	370·4
1921	165·1	1,286·2	1935	47·3	495·1
1922	116·3	858·7	1936	60·6	497·2
1923	76·3	1,146·0	1937	96·2	557·1
1924	152·4	918·5	1938	144·0	1,338·0
1925	176·7	1,128·6	1939	151·2	459·2
1926	113·0	1,310·3			

With the exception of the years 1916, 1917 and 1927, there were always less than 10 per cent of the Australian workers on strike. A very low percentage indeed, if we look back at the history of labour in various capitalist countries; but unfortunately quite normal if we regard the activities of the labour movement in some other countries during the same period, such as Canada, the United States and, since 1926, Great Britain. Furthermore, if we exclude 1917, there is not one year of relatively high strike activity without the same industry, the mining industry, playing a dominant rôle. In Australia, just as in Canada and in Great Britain, we find that the miners are the most militant section of the labour movement.

The most important strike years—in contrast to other countries which have their peak of strike activity in 1918 to 1920—were 1916 and 1917. During these years we can observe a considerable number of political strikes against conscription, and the great strike of the railway workshop workers in 1917 against rationalization measures. The strike began in New South Wales and was followed by sympathetic strikes in other states and trades. The strike ended with a compromise. The miners, in 1916, struck

successfully for shorter hours of work. Both strikes account for the vast majority of the days lost in 1916 and in 1917. The following two years of great strike activity, 1919 and 1920, are dominated by the strike of the miners in New South Wales for higher wages, a shorter working day, and other demands for an improvement of working conditions. The strike, which lasted from May 1919 to November 1920, ended with a compromise. Another very important strike, in 1919, was that of the seamen for higher wages, which covered all the states and was successful. There is only one more year of great strike activity in the years under review, 1929, when the miners unsuccessfully struck against wage cuts, from March until June in the following year. During the first one and a half years of the present war, strike activity has increased again—an unusual development if we think only of conditions in Europe, but quite in the tradition of Australian labour during the previous world war.

* * *

For nearly a hundred years the Australian labour movement has been regarded as one of the most successful. The standard of living of the Australian worker is regarded as unsurpassed in the capitalist world and as far superior to that of most other countries. The broad system of social legislation is regarded as a wonderful safeguard for the standard of living, and the strong trade union movement and the parliamentary representation of labour are considered an example to the labour movement in other countries.

But the actual story which the mass of the Australian workers could tell of their working and living conditions does not differ materially from that of the American, British or other worker. The intensity of work is increasing in Australia as in other countries. The security of the worker, his chance of holding on to his job, is no higher than in other capitalist countries. A strong trade union movement and a Labour Party with large parliamentary representation are not worth much unless the trade unions and the labour representatives follow a militant policy against the evils of capitalism, against capitalism itself. On the contrary: if the ruling class succeeds in aligning with itself the leaders of labour, it is an advantage for the employers if the workers are strongly organized, because then the trade

union leaders are all the more easily able to "control any movements of unrest and resistance" among the workers.

Again and again we may observe how the labour movement in Australia began to get into a rut and how again and again Australian labour found the way to a new militant policy. The first great period of the history of labour, which includes the Eureka Stockade and ends in the famous strike of the Newcastle miners in 1873, is followed by almost twenty years of growing "reaction" within the labour movement. But the great maritime strike completely changes the situation; the progressive forces which for two decades had been kept in check, burst forth and a new period of labour militancy is inaugurated. It includes the great strikes of the nineties, the spreading of the doctrines of the I.W.W. in the latter part of the first decade of the twentieth century, the splendid work of Tom Mann, the organizer of the Labour Party in Victoria, the moving spirit in socialist organizations and the driving force of the most militant part of the trade union movement. It includes the war years with many a heroic struggle. Then follow more than twenty years in which militancy is dying down, progressive movements are sporadic, and the work of the best fighters in the labour movement, in the Labour Parties, of the Communists, in the trade unions, etc., does not determine the character of the history of the labour movement. But new life has been infused into the Australian labour movement since the world war started.

To-day Australian labour forms the vanguard in the fight against the aggressor in the Southern Pacific.

APPENDIX TO CHAPTER III
LABOUR CONDITIONS IN AUSTRALIA

I. Tables

1. WAGES IN INDIVIDUAL INDUSTRIES, 1850 TO 1901
(*1900 = 100*)

Year	*Building Trade Workers*	*Metal Workers*	*Common Labour*	*Agriculture*	*Total*
1850	56	50	—	95	58
1851	68	63	—	103	67
1852	124	119	—	146	112
1853	210	177	—	152	155
1854	231	214	175	172	187
1855	164	141	145	147	140
1856	141	126	137	138	128
1857	133	125	122	135	123
1858	129	123	111	132	117
1859	127	112	118	121	113
1860	124	109	118	111	109
1861	115	101	110	111	108
1862	107	100	93	106	98
1863	93	93	87	102	91
1864	95	92	93	99	91
1865	95	91	88	94	89
1866	95	90	83	101	89
1867	94	90	101	93	91
1868	90	88	96	95	88
1869	89	84	99	98	90
1870	99	100	93	104	95
1871	91	87	90	93	88
1872	99	97	98	108	96
1873	102	103	102	109	99
1874	106	104	103	113	101
1875	107	106	103	112	102
1876	109	108	102	115	102
1877	107	108	101	114	100
1878	108	101	101	113	99
1879	107	106	108	113	101
1880	106	105	108	113	101
1881	106	104	108	113	100
1882	111	107	110	116	106
1883	115	107	114	118	105
1884	114	106	112	119	106
1885	115	106	112	119	108
1886	109	106	114	119	107
1887	110	109	114	120	108
1888	107	105	118	120	107
1889	110	105	114	114	107

1. WAGES IN INDIVIDUAL INDUSTRIES, 1850 TO 1901—*continued*

(*1900 = 100*)

Year	*Building Trade Workers*	*Metal Workers*	*Common Labour*	*Agriculture*	*Total*
1890	107	101	115	114	106
1891	105	102	114	111	104
1892	103	100	104	110	101
1893	90	98	92	104	94
1894	89	91	90	104	92
1895	83	86	90	93	88
1896	85	91	90	88	88
1897	88	96	93	94	92
1898	90	99	96	97	96
1899	94	99	100	95	99
1900	100	100	100	100	100
1901	106	100	102	102	102

2. FOOD PRICES, 1850 TO 1901

(*1900 = 100*)

Year	*Food Cost*	*Year*	*Food Cost*	*Year*	*Food Cost*	*Year*	*Food Cost*
1850	100	1863	125	1876	139	1889	124
1851	116	1864	129	1877	129	1890	125
1852	139	1865	146	1878	125	1891	117
1853	200	1866	129	1879	114	1892	114
1854	244	1867	107			1893	109
1855	216	1868	116	1880	109	1894	94
1856	189	1869	107	1881	110	1895	98
1857	180			1882	129	1896	104
1858	182	1870	100	1883	126	1897	113
1859	174	1871	98	1884	121	1898	109
		1872	95	1885	124	1899	106
1860	157	1873	104	1886	130		
1861	138	1874	125	1887	118	1900	100
1862	128	1875	117	1888	118	1901	108

3. REAL WAGES, 1850 TO 1901

(*1900 = 100*)

Year	*Real Wages*	*Year*	*Real Wages*	*Year*	*Real Wages*	*Year*	*Real Wages*
1850	58	1863	73	1876	73	1889	86
1851	58	1864	71	1877	78	1890	85
1852	81	1865	61	1878	79	1891	89
1853	78	1866	69	1879	89	1892	89
1854	77	1867	85			1893	86
1855	65	1868	76	1880	93	1894	98
1856	68	1869	84	1881	91	1895	90
1857	68			1882	82	1896	85
1858	64	1870	95	1883	83	1897	81
1859	65	1871	90	1884	88	1898	88
		1872	101	1885	87	1899	93
1860	69	1873	95	1886	82		
1861	78	1874	81	1887	92	1900	100
1862	77	1875	87	1888	91	1901	94

4. WAGES* IN INDIVIDUAL INDUSTRIES, 1900 TO 1939

(*1900 = 100*)

Year Dec.	*Engineering*	*Food and Drink*	*Clothing Boots*	*Building*	*Mining*	*Railways*	*Agriculture*
1900	100	100	100	100	100	100	100
1901	100	101	99	106	99	102	102
1902	100	—	—	105	99	—	103
1903	100	—	—	105	100	—	102
1904	100	—	—	106	100	—	104
1905	101	—	—	106	101	—	105
1906	101	103	117	108	102	102	108
1907	102	105	119	112	104	103	117
1908	104	105	121	112	104	103	118
1909	104	106	131	114	104	106	127
1910	106	108	136	117	109	107	128
1911	111	115	136	122	111	111	135
1912	116	122	137	126	114	116	151
1913	117	124	141	128	118	117	156
1914	119	125	144	129	118	117	156
1915	123	131	144	130	121	119	156
1916	127	138	153	137	132	124	171
1917	133	144	161	142	142	129	191
1918	141	150	167	146	142	135	197
1919	158	171	199	157	160	153	220
1920	189	202	235	188	189	182	272
1921	202	213	253	202	192	190	279
1922	192	208	247	198	188	182	263
1923	200	214	255	204	190	191	268
1924	200	214	254	208	189	189	269
1925	206	219	254	214	197	196	273
1926	209	224	261	218	199	200	292
1927	211	226	267	222	199	201	295
1928	209	226	270	221	199	199	300
1929	212	229	270	223	201	205	299
1930	203	220	270	216	195	196	274
1931	176	201	228	195	186	169	250
1932	167	191	210	185	179	158	234
1933	167	190	208	182	176	157	224
1934	170	190	217	185	177	161	229
1935	174	193	219	186	178	165	229
1936	177	198	220	189	180	168	237
1937	194	210	242	200	187	180	247
1938	201	216	249	206	193	186	256
1939	204	219	252	210	194	188	261

* The figures refer to the wages of adult male workers.

5. WAGES IN AUSTRALIA, 1900 TO 1939

(*1900 = 100*)

Year	*Gross Money Wages*	*Net Money Wages*	*Cost of Living*	*Net Real Wages*
1900	100	100	100	100
1901	102	102	108	94
1902	102	—	114	89
1903	102	—	112	91
1904	103	—	106	97
1905	103	—	111	93
1906	104	104	111	94
1907	107	108	111	97
1908	108	109	117	93
1909	111	112	117	96
1910	115	116	119	97
1911	121	123	123	100
1912	127	128	135	95
1913	130	132	136	97
1914	131	128	140	91
1915	132	128	160	80
1916	138	139	162	86
1917	148	147	173	85
1918	153	154	185	83
1919	165	165	209	79
1920	196	196	238	82
1921	220	209	207	101
1922	217	211	199	106
1923	218	217	204	106
1924	221	217	200	108
1925	223	219	203	108
1926	230	229	206	111
1927	234	233	204	114
1928	236	226	206	110
1929	237	226	211	107
1930	233	202	199	101
1931	211	164	178	92
1932	197	150	170	88
1933	190	153	164	93
1934	191	163	167	98
1935	194	174	170	102
1936	197	186	173	108
1937	205	199	178	112
1938	217	212	183	116
1939*	221	214	186	115

* First half year.

II. Sources and Remarks

There is no country for which such a large volume of statistics relating to labour conditions has been published as Australia. There is no country which can boast of a study like T. A. Coghlan's *Labour and Industry in Australia*, which gives so detailed a study of many aspects of the development of labour conditions in the nineteenth century. It is curious that no Marxist has yet taken all this material and welded it into a standard history of labour. It is to be hoped most sincerely that some of the material given on the preceding pages will induce a Marxist student of Australian affairs to give us such a book.

The statistics of gold production are taken from a table published in *A Statistical Account of Australia and New Zealand*, 1902–03, by T. A. Coghlan. The statistics of the population in the different capitals and states are taken from the same source, and from the Official Year Book of the Commonwealth of Australia.

The wage statistics up to 1901 are based on the official data given for various occupations in the following publications:

New South Wales: Statistics of New South Wales from 1837 to 1853, Sydney 1854; ditto from 1845 to 1854, Sydney 1855. Statistical Register of New South Wales from 1849 to 1858, Sydney 1859; Statistical Register of New South Wales, annually since 1866; *The Wealth and Progress of New South Wales, 1900–02*, by T. A. Coghlan.

Victoria: William Henry Archer, The Statistical Register of Victoria, Melbourne 1854; Statistics of the Colony of Victoria, annually, from 1862 to 1873; Statistical Register of the Colony (since 1901 of the State) of Victoria, annually since 1874.

Tasmania: Statistical Account of Van Diemen's Land, or Tasmania, from the date of its first Occupation by the British Nation in 1804 to the end of the Year, 1823, Hobart Town 1856; Statistical Returns of Van Diemen's Land from 1824 to 1835, Hobart Town 1836; ditto from 1824 to 1839, Hobart Town 1839; Statistics of Van Diemen's Land for 1848, Hobart Town 1849; ditto for 1844 to 1853, Hobart Town 1854; Statistics of the Colony (since 1901 of the State) of Tasmania, annually since 1857.

South Australia: Statistical Register of South Australia, annually, since 1860.

Western Australia: Blue Book for the Year 1880, annually, to 1895; Statistical Register of Western Australia, annually since 1896.

None of these sources gives wage data for a whole trade or for industry as a whole. We have calculated the wage indices by trades from the wage indices calculated from the data on wages of the individual occupations, without weighting them; that is carpenters' and bricklayers' and masons' wages were not weighted when calculating average wages for the building trades, though, of course, first a separate index was calculated for each individual occupation. The wages for industry as a whole were not weighted either after finding that there was not so much difference in the number employed that weighting would make much difference in the final index. For a considerable number of years, since 1860, data on miners' wages were included in the index of wages for industry as a whole. The index of wages for industry as a whole for the years 1850 to 1860 was chained to that for 1860 to 1901, which includes miners' wages.

Wages and food prices for the years 1821 to 1852 were taken from George H. Wood, "Changes in Average Wages in New South Wales, 1823 to 1898," *Journal of the Royal Statistical Society*, June 1901.

Wages for workers in individual industries since 1901 were calculated for the years 1900 and 1902 to 1906 from the above-mentioned sources; additional wage data were taken into account, quoted from the richer material given in the last years of the previous century and given in the same above-mentioned sources. Data for the years 1901 and 1906 to 1939 were taken from Labour Report 1 to 29, published by the Commonwealth Bureau of Census and Statistics. Data for 1940 from the Quarterly Summary of Australian Statistics, published by the same authority.

The index of average wages (which comprises considerably more data than are given here for individual industries) is taken from Labour Report 1 to 29, and from the Official Year Book of the Commonwealth of Australia. The same sources give wages for men and women separately, also the unemployment data,

and the data on the number of hours worked per week, as well as the data regarding trade union membership and industrial disputes.

The cost of living for the years 1850 to 1901 was computed from the following sources: retail prices in Sydney since 1850, retail prices in Hobart since 1881, both as given in G. H. Knibbs, *Prices, Price Indexes and Cost of Living in Australia*, Commonwealth Bureau of Census and Statistics, Labour and Industrial Branch, Report No. 1. To this I added a rough index of the cost of food in Melbourne since 1850, based on the prices of bread, beef, mutton, butter, milk, eggs, potatoes, tea, coffee and tobacco (for 1850–54 bread, potatoes, butter, milk, eggs, cheese, carrots, cabbage, geese) taken from the above-quoted wage sources for the same period. For the years 1873 to 1894 I corrected this combined index according to a general retail index calculated by Mr. T. A. Coghlan in his above-mentioned history of Australian labour and industry, p. 1613; the differences between his and my index are remarkably small. For the years since 1901 I used the official cost-of-living index. The individual indices were weighted according to the population of the individual states. The wage indices and the cost-of-living indices calculated by me do not comprise all the occupations and commodities for which wage and price data are available. It is much to be desired that a research institute should interest a number of research workers in computing a final and definite index of wages and cost of living in Australia from 1840 to 1901, using all the data available.

CHAPTER IV

LABOUR CONDITIONS IN NEW ZEALAND

Though New Zealand was effectively settled only in the forties of the last century, to-day it is one of the wealthiest countries (reckoned per head of the population)* and probably more active in foreign trade than any other country.

During the nineteenth century, New Zealand was under a common administration with Australia, and conditions in both countries were similar in many respects. For a long time the bulk of New Zealand's foreign trade was going by way of Australia. The effects of the gold discoveries in Australia were felt in New Zealand as if they had occurred in New Zealand herself. Then in 1861 gold was discovered in the Otago Province, on the islands themselves.

The changes in the structure of national economy can be well observed by looking at the development of the exports of the two or three most important export goods:

VALUE OF EXPORTS

£1,000

1853	£	*1863*	£	*1873*	£
Timber ..	93	Gold	2,432	Wool ..	2,702
Wool ..	67	Wool ..	830	Gold ..	1,987

1883	£	*1893*	£	*1903*	£
Wool ..	3,014	Wool ..	3,775	Wool ..	4,041
Grain ..	1,287	Frozen Meat	1,085	Frozen Meat	3,197
Gold ..	892	Gold ..	916	Gold ..	2,038

1913	£	*1923*	£	*1933*	£
Wool ..	8,058	Wool ..	10,905	Butter ..	11,649
Frozen Meat	4,450	Butter ..	10,689	Frozen Meat	9,846
Butter ..	2,062	Frozen Meat	9,013	Wool ..	7,422

* One generally estimates the national income per head of the population in New Zealand to be higher than that of the United States or Great Britain. Colin Clark (*The Conditions of Economic Progress*) estimates that the income in the U.S.A. and Canada is by 10 to 15 per cent higher than that of New Zealand. But nobody doubts that the income per head in New Zealand ranks among the three highest in the world.

About fifty years after effective settlement began, nearly thirty-five thousand workers were employed in manufacturing industries. Meat preserving, freezing and boiling-down works producing the highest total value of any industry, followed by tanning and fell-mongering, grain-mills and saw-mills. The largest number of workers were employed in saw-mills, flax-mills and printing establishments.

To-day, about a hundred years after effective settlement, less than one hundred thousand workers are engaged in manufacturing industries, about ten thousand in mining and quarrying, and about twenty thousand on the railways. The number of workers on dairy farms is about as large as that engaged in mining and quarrying; about forty thousand workers are employed on construction work.

To-day, the total number of working people amounts to about five hundred thousand, a rather high figure for a total population of little more than one and a half million.

Though the country is small, the problem of labour conditions in New Zealand has always played rather a large rôle in twentieth century labour literature.

Official wage records and price records go back to 1873, and before we study in more detail the different aspects of labour conditions and the character of the labour movement, it is useful to survey first the development of wages. Unfortunately, it is not possible to compute an index of net wages, and therefore the wage statistics for New Zealand are less revealing than those for other countries. Furthermore, for a very considerable number of years no reliable data on the development of wages in agriculture are available. This certainly does not make for reliability of our data on wages for all workers.

As in other chapters, we begin with a table showing the development of wage rates in a number of individual industries:

WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940*

(*1900 = 100*)

I. WAGES 1873 TO 1900

Decade	*Building Trade Workers*	*Metal Trade Workers*	*Mining*	*General Labour*
1873–80	101	112	82	95
1881–90	90	102	82	96
1891–1900	79	88	81	90

* Wages by individual years, see Appendix to Chapter IV.

WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940*—*continued*

(*1900 = 100*)

II. WAGES 1900 TO 1940

Decade	*Building*	*Metal*	*Mining*	*Food*	*Clothing*	*Agriculture*
1901–10	102	104	113	108	105	—
1911–20	117	122	139	126	124	139
1921–30	165	180	208	192	185	185
1931–40	161	179	205	199	182	174

Wages during the nineteenth century have remained stable in one trade and they have declined in three others. The development in the different trades was dissimilar. Building trade and metal trade workers received wages which declined regularly and substantially from decade to decade. Wages of miners remained fairly stable if we take decade averages. Wages of general labourers first remained fairly stable and then declined during the nineties. Yearly fluctuations were extraordinarily strong.

From the beginning of the twentieth century up to the war wages moved rather similarly in the different industries, excepting the wages of the miners, which moved up much more than those in the rest of industry. During the war, wages of the agricultural workers rose much more rapidly than those in other industries—a movement to be observed in other countries too, designed to keep the agricultural workers on the land. The two post-war decades are remarkable for the rise in wages of the food industry, while wages in the building industries rather lagged behind; agriculture lost its prominence in the rise of wages as it did in many other countries.

In the following table we give, averaged over the trade cycle, an index of wages in all industries, an index of the cost of living, and that unhappy product of too little knowledge of the movement of actual yearly average wages: an index of gross real wages. In the table following it, we give the gross real wage data compressed into trade cycle averages, but with the not unimportant correction of agricultural wages added to the general wage index for the period before 1909; for, while the data on wages paid in agriculture are not reliable enough as to the year to year changes, they are tolerable in an index of average wages by trade cycles.

* Wages by individual years, see Appendix to Chapter IV.

WAGES IN NEW ZEALAND, 1873 TO 1939*

(*1900 = 100*)

Trade Cycle	*Gross Money Wages*	*Cost of Living*	*Gross Real Wages*
1873–87†	97	103	95
1888–95	82	90	92
1896–1908	97	104	93
1909–14	108	111	97
1914–22	144	158	91
1923–33	178	179	99
1933–39‡	178	165	107

The cost of living during the nineteenth century period under review have fluctuated more than wage rates; they have declined between the end of the seventies and the end of the eighties very rapidly indeed. Part of this decline is exaggerated since the rent did not decline as much as food-stuffs, and sufficient rent data are not available to include them in our cost-of-living index. Real wages, therefore, have moved less favourably than the above figures indicate. Since then the cost of living have tended upwards up to 1920. During the twenties they remained stable, fell feavily during the crisis, and have increased again considerably since 1933.

GROSS REAL WAGES, 1873 TO 1939

(*Including Wages paid in Agriculture 1873 to 1939*)

Trade Cycle	*Index*	*Trade Cycle*	*Index*
1873–87†	97	1914–22	91
1888–95	94	1923–33	99
1896–1908	96	1933–39‡	107
1909–14	97		

As I suggested before, real wages between 1873–87 and 1888–95 moved even more unfavourably than the above figures indicate; the inclusion of rent prices would press them down even more. The increase around the turn of the century is insignificant and is largely over-compensated by the increase in the intensity of work. In fact, one can say that real wages during the sixty years from 1873 to 1933 have remained fairly stable, and since con-

* Wages by individual years, see Appendix to Chapter IV.
† No trade cycle. ‡ Incomplete trade cycle.

ditions in other respects have deteriorated, it is obvious that the working and living standard of the worker in New Zealand has declined—if only on account of the increase in intensity of work which has taken place there as elsewhere in the capitalist world. The increase of real wages during the thirties in the above table is so obviously deceptive that the simple mention of wage losses through greatly increased unemployment suffices to convince every student of working conditions that net real wages, if one could compute them, would show a decline of the purchasing power at the disposal of the worker, as compared with the standard in the nineteenth century or the beginning of the twentieth century. During this last phase, too, the intensity of work has increased, of course, considerably.

* * *

Those who have read the vast literature on labour conditions in New Zealand will miss in my estimates of the development of labour conditions an appreciation of the large and important beneficial aspects of labour and social legislation in New Zealand, about which this literature abounds.

True, around the turn of the century New Zealand was very progressive indeed in social legislation. After almost two decades of depressed business and labour conditions—remarkable for insecurity through unemployment and constantly menacing or actual wage cuts—social conditions had reached a point where the ruling class was extremely disturbed about the future. In fact, conditions had become so bad that there was more emigration than immigration—an intolerable condition for a country such as New Zealand, scantily populated and dependent upon a growing labour supply. Beginning with 1880, and all through the decade, the desperate workers appealed to the Governments of the United States, of Victoria, of Britain and other countries for help. The famous maritime strike of 1890 in Australia was joined, as a matter of solidarity, by the workers in New Zealand, and it must not be imagined that the above-mentioned appeals by the workers to foreign Governments were of an "escapist" nature; the labour movement in New Zealand did not lack the determination to fight their own capitalists in order to

better their labour conditions. From the very first, since the early forties in fact, the workers had fought for the eight-hour day and had succeeded in gaining it in a number of trades. And though none of the early trade unions survived, and though the period of the gold rush made progress easy for some time, the hardy fighting spirit remained, and during the black eighties trade unions sprang up in many places and extended their activities to the organization not only of the skilled but also of the unskilled workers.

But even though the unskilled workers were taken into the unions, the trade union movement on the whole was built on craft lines—although the trade unions were animated by a healthy spirit of aggressiveness, the ideas of socialism, of class struggle, of revolutionary strategy and tactics had not as yet permeated them.

When, under such industrial, economic and labour conditions —industrial labour joining hands in its fight with the small farmers* smarting under the effects of land monopoly—the ruling class turned the wheel around and inaugurated the era of bourgeois liberalism in New Zealand labour affairs, the trade unions fell for it, and while they gained a number of advantages through the considerable amount of social legislation adopted around the century, they lost because they mistook the dope for the cake. Social legislation combined with an upturn in general business conditions, misled the workers into mistaking alleviation of the evil for its eradication. It is advisable to show in more detail the problems involved since it is absolutely necessary to be clear about the rôle of social legislation under capitalism, and since, at the same time, conditions in New Zealand in the two decades around the turn of the century provide an ideal research field on this subject. The political situation is described by Mr. Reeves as follows:† The Radicals, or, as we would say to-day, the progressive Liberals, took power in January 1891, supported by Labour. "True, the number of Labour members returned in New Zealand was but five, and

* In fact, the small farmers' movement was the decisive force bringing about the change of government and policy.

† William Pember Reeves, *State Experiments in Australia and New Zealand*, vol. i, pp. 76, 77.

they did not attempt to form a separate party. But fully twenty Progressives were generally pledged to the Labour programme, and most of the party owed their election to the Labour vote. One or two hesitant followers of Mr. Ballance (the Radical Prime Minister—J. K.) had been cut out. The result was singular. Nothing could have been less theatrical than the entry of Labour into the New Zealand Parliament. To all appearances it merely meant that half a dozen quiet, attentive, business-like, well-mannered mechanics took their seats in the House of Representatives. The Labour members did not increase in numbers. Nor did they supply the Progressives with a policy. But the organized support which they and their unions gave the Radical leaders made all the difference. The Progressive leaders already had a policy, and now this was carried through Parliament in a thorough, almost uncompromising, fashion." Briefly, sincere liberals and reformers were supported in the pursuit of a liberal bourgeois policy by labour leaders who, it is true, had no policy of their own because their reformist policy was not a labour policy, a policy for labour, but a policy of liberal reform, which was identical with that of the liberal progressive part of the bourgeoisie. This does not mean, however, that Labour had no programme at all. On the contrary, in 1885, the Otago Trades and Labour Council had developed a programme of social labour legislation which was simply taken over by the liberals. Since this programme was not part of a general genuine labour and farmer policy which would do away with capitalism in industry and agriculture, it could form part of the policy of a Liberal Government.

The social legislation which was passed really meant something for the worker, and if it had been regarded only as an achievement "for the duration of capitalism," as an incentive for further and more far-reaching achievements, and as an advantage under a system which must eventually be overthrown, the working class of New Zealand might have gained a large success through this legislation. But this was not done, and so, with the introduction of old age pensions, a progressive factory act, truck and wages protection acts, special legislation to improve working conditions in dangerous industries (mining, building, etc.), workmen's compensation acts, legal provisions for

holidays, conciliation and arbitration acts, etc., labour forgot that it was engaged in a struggle for power.

Nor is this all. Not only did the workers let themselves be deceived at the time, but since the nineties there has existed an impression in the labour movement of many countries, besides that of New Zealand, that, measured by modern standards, social legislation in New Zealand is far in advance of that in other countries. In actual fact, however, very little important social legislation has been passed between 1903 and 1938 (though a number of improvements were made in the existing field of legislation, and a Labour Government introduced the forty-hour week for a limited number of workers), and in some respects social legislation in New Zealand was, in the post 1914–18 years, behind that of other countries. One of the most important aspects of modern industrial labour conditions which, until very recently, was much neglected in New Zealand, is legislation to alleviate the consequences of unemployment. It is significant that there are not even reliable unemployment statistics. Health services have been neglected too, until the Social Security Act of 1938 brought a partial remedy in this and other fields. It is a bitter commentary that, while trade union leaders all over the world were praising the social legislation in New Zealand, a courageous civil servant wrote in the New Zealand Official Year Book:* "It must be admitted, however, that in respect of social legislation generally the initial pre-eminence of New Zealand has been largely lost."

The Social Security Act of 1938, the most important piece of social legislation enacted in the British Empire during the last twenty years, and the most important piece of social legislation enacted in New Zealand since the fall of the Radical Government in 1906, has changed conditions considerably, and to-day, under a Labour Government, New Zealand is again ahead of all other countries under capitalist rule. Benefits generally have been increased (e.g., old age pensioners receive 30s. a week, a married couple £3). Workers are protected now not only against extreme poverty in old age and disablement, but also through sickness and unemployment benefits (new steps forward in New Zealand), and the benefits paid are higher than in other countries. But

* Forty-Sixth Issue, 1938, p. 771.

here again alleviation takes the place of measures designed to eradicate unemployment and the causes of social insecurity, to eradicate the economic anarchy prevalent under capitalism.

* * *

It is most useful to get a more intimate glimpse into the life of the workers and some general aspects of economic conditions at the period when New Zealand was "pre-eminent" in the world in social legislation. This is possible through the *Report and Evidence of the Royal Commission on Cost of Living in New Zealand*, published in 1912, and referred to changes in conditions during the preceding twenty years.

While these twenty years undoubtedly brought considerable progress in social legislation,* another phenomenon developed which changed the structure of New Zealand economy in a way most detrimental to the masses of the people. This phenomenon was the formation of trusts, combines and monopolies. Speaking of restraint of trade in general, the Commission says: "It has proved to be the greatest curse of modern civilization, enabling unscrupulous individuals to amass immense fortunes at the expense of the people." As to New Zealand herself, the Commission finds:†

"The evidence that the Commission has been able to collect proves conclusively that trusts, monopolies, and combines operate extensively in the commerce of this country. . . . An isolated, highly-protected and sparsely-populated country like New Zealand, so far distant from the world's markets, especially lends itself to the manipulations of trusts and combines. It is a comparatively easy matter for a few wealthy individuals in any given industry or business to secure control of the output, and by slightly raising prices to levy secret taxation on the whole community. . . . It is also impossible from the evidence to measure the extent, as expressed in percentages, to which trusts,

* One of the most important fields in which we find sound progress is the attempt to eliminate the sweatshops. The famous articles in the *Otago Daily Times* in January 1889 revealed conditions in the clothing trade in Dunedin which are paralleled only in the slums of New York, London and similar centres of cruel sweatshop exploitation. The partial elimination of the sweatshop proceeded much more quickly and with more success in New Zealand than in most other countries.

† L.c. p. lxvi.

monopolies, and combines have raised prices in New Zealand, but there is no doubt that some prices have been appreciably raised through the operations of these bodies. . . . But what appears to your Commissioners to be particularly reprehensible is the practice common in New Zealand of combinations in different branches of trade not merely fixing selling-prices, but fixing penalties for breaches of the agreement to sell as arranged, or bringing pressure to bear on suppliers to refuse supplies to independent traders who do not conform to their selling conditions."

While the gaze of the workers and of all progressives was fixed upon the creation of an advanced system of social legislation, the large-scale capitalists formed monopolistic organizations in order to increase their profits much more rapidly than before, at the expense of the masses of the people. And while the progress of social legislation was stopped early in this century, the monopolistic structure of industry and trade became firmer and more thoroughly organized until it dominated the whole economic life of the country, just as it dominates that of other capitalist countries to-day.

But the Commission not only found that the masses of the people were being robbed by the monopolists. It also found evidence of widespread misery, in spite of all the social legislation enacted. One of the most distressing facts of the workers' life were the terrible housing conditions prevailing on the countryside as well as in the cities. In the rural areas, accommodation was so scarce that the Commission had to report:* "Several witnesses stated that the migration of workers to the cities was partially due to the difficulty married men experience in finding accommodation sufficiently near to their work to enable them to live with their families in the country. The Commission is of opinion that this is a serious evil, and warrants the earnest attention of our Legislature." As to the cities, let us hear a rather prim social worker on this subject:† "I think it is simply disgraceful the way in which some of these small houses are crowded—sometimes with families of nine or ten children. These poor people have to take such small houses because they cannot afford to pay a higher rent. If you tell the Inspector he

* L.c. p. lxiii. † L.c. p. 67.

goes to them and tells them that they must move; but how can they move when they have not got the money and cannot afford higher rent?"

Added to housing difficulties is insecurity of employment. While the unemployment figures before the first world war cannot impress us deeply to-day, this should not make us insensible to the fact that the insecurity of employment had already at that time a very serious influence on the life of the worker. The report, with wonderful foresight, prophesies:* "Physical degeneracy, and the harassing prospect of employment in the towns, a prospect that soon every nation will have a huge derelict population, not merely unemployed but unemployable. . . ."

In fact, the standard of living of the people is so low, their expenditure is so restricted to the daily necessities of life, that any expense outside the routine throws them deeply into debt. As the above-mentioned social worker said about one, by no means extraordinary but still not "routine," item:†

"These extra (maternity—J. K.) expenses often handicap a family for more than a year. It is not only the doctor's expenses, but there has to be special food obtained, and extra blankets, and many other things. People seem to forget how much that is to some families. Some mothers cannot leave their houses to go into maternity homes at that time. I mention that because there has been so much talk recently about the birth rate. A great many people do not seem to realize what a burden that expense is to many families."

Three more quotations will suffice to complete the picture of conditions under "pre-eminent social legislation."

The first refers to living conditions among unskilled workers in general. It is taken from the testimony of the representative of the Canterbury General Labourers' Union:‡

"I can assure this Commission that there are a number of general labourers in this town who are living below what is really a fair living wage: I mean that they are not living as human beings ought to live. They cannot provide sufficient food and clothing and proper shelter for their families."

The second indicates the effect of children working in the

* L.c. p. lxiv. † L.c. p. 69. ‡ L.c. p. 102.

country upon their development, and is taken from the evidence of the Inspector of Schools for the Auckland Education District:*

"I have noticed some cases where the children have a very drowsy appearance. I have been told that they have to get up very early in the morning to milk—in summer sometimes at 3.30 a.m.—and that they have also to milk in the evening, and feed the calves after that. Of course, home work is an utter impossibility under such conditions. . . . Teachers have spoken of the children falling asleep in the school in the afternoon, especially in the summer months, when it is difficult to keep some of them awake."

And now a final quotation, showing the increased drive in the factories, the rapid increase in intensity of work, and their effect on the worker and his work, taken from the evidence of a carpenter:†

"The causes of lowered efficiency are casual work and lowered feeding, also the 'driving' of the men at their work. There is a good deal of this going on; but I was forcibly reminded of this by reading the following in an article published in the *Journal of the Department of Labour* (March 1911, p. 191):

" 'Don't employ old people. Weed out those, old and young, who can't keep the pace, and those who fail to work in perfect accord with you. In business, the best manager is the man who gets the whole product out of the machine quickest. There will be better machines on the market to-morrow. Don't be caught with junk on your hands. I used to urge my foreman; use the machines up, then scrap them. So with men.' . . .

"That is the American system, but there is a great deal of it in the colonies too, though not so much. The Commission should consider what becomes of the 'scrapped' men."

Such was the state of working and living conditions at a time when New Zealand was being praised as the promised land of the workers not only by liberals and reformers, but also by responsible trade unionists all over the world. Since then conditions have been improved in many respects, but they have deteriorated in others (intensity of work, accidents, etc.).

* * *

* L.c. p. 278.

† L.c. p. 371.

The last quotation raises the question of whether it is possible for New Zealand to give us some measure of the increase in the intensity of work. The only measure available, unfortunately, is a very indirect one: the study of the development of accidents. The frequency rate of accidents in modern industry, or rather its development, is a resultant of the progress of accident-prevention measures on the one hand and increasing intensity of work on the other. There is no doubt that there is a continuous progress in the application of measures to prevent accidents. If under such conditions accidents do not decline, or even increase, then we can be sure that the intensity of work increases considerably, increases, in fact, so much that it counterbalances or even outweighs the beneficial effects of improved accident-prevention measures.

There are two sets of useful figures available. The first one gives fatal accidents in coal mines, the second gives a general figure of fatal and non-fatal, but serious, accidents in industry as a whole.

FATAL ACCIDENTS IN COAL MINING, 1909 TO 1938

(*Per 1,000 Employees*)

Year	*Accidents*	*Year*	*Accidents*	*Year*	*Accidents*	*Year*	*Accidents*
1909	1·79	1917	1·00	1925	1·67	1932	2·56
1910	3·55	1918	1·50	1926	2·90	1933	1·59
1911	3·26	1919	2·53	1927	1·86	1934	1·78
1912	2·08	1920	0·24	1928	1·67	1935	0·47
1913	1·38	1921	2·29	1929	2·18	1936	0·94
1914	10·35	1922	1·32	1930	2·38	1937	1·36
1915	2·16	1923	1·00	1931	0·69	1938	2·41
1916	1·50	1924	2·05				

ACCIDENT FREQUENCY IN INDUSTRY AS A WHOLE*

(*Per 100,000 Man-hours Worked*)

Year	*Frequency*	*Year*	*Frequency*	*Year*	*Frequency*
1924	1·03	1929	2·50	1934	2·02
1925	1·82	1930	2·56	1935	2·37
1926	2·11	1931	2·46	1936	2·68
1927	2·42	1932	2·20	1937	3·05
1928	2·21	1933	2·39	1938	3·11

* Excluding scaffolding accidents.

If we combine these indices into trade cycle averages and improve the figures given for the coal industry by taking into account changes in the number of hours worked per day or shift, we arrive at the following figures:

ACCIDENTS, 1915 TO 1938

Trade Cycle	*Index of Fatal Coal Mining Accidents*	*General Industrial Frequency Rate of Accidents*
1915–22*	100	—
1923–33	128	2·17
1933–38†	101	2·60

The rate of accidents, in spite of undoubted improvements made during the last quarter of a century, has increased. This is irrefutable proof of the rapid and brutal increase in the intensity of work. Accidents in industry during the last trade cycle are by about 20 per cent higher than during the preceding cycle; the toll of the workers' life and health taken through an ever increasing drive has risen considerably. In coal mining the fatal accident rate, after a rise of 28 per cent, has declined again almost to the level prevailing between 1915 and 1922. But this too indicates over the period as a whole an increase in the tempo of work which over-compensates or compensates the increased application and the improvement of measures to prevent accidents.

* * *

Before concluding this short survey of labour conditions in New Zealand it is useful to look over the strike record of the labour movement. From the above observations nobody will be surprised if the number of strikers has been, on the whole, not very large. And yet, only those who know the conditions intimately will believe their eyes when they see in the official publications that the number of striking workers during the years from 1906 to 1914 was less than one thousand in five years, and that the record figure of thirteen thousand four hundred in 1913 amounted to less than 5 per cent of all workers. In fact, there is not a single year in the twentieth century when

* 1914 left out because of the abnormally high figure due to the explosion at Ralph's Colliery, Huntly.

† Incomplete trade cycle.

the number of striking workers reached even the extremely low percentage of five.

But while the strike record, if we take figures for the country and for industry as a whole, is unimpressive, the history of New Zealand labour in the present century is not without instances of great, intensive and important fights, and the sons of the generation which fought the maritime strike of 1890 have proved themselves in many respects worthy of their fathers. During the years 1912 and 1913, under the leadership of militant trade unionists, organized in the Federation of Labour, a number of highly important strikes took place directed against the growing wave of reaction, and animated by a spirit which was opposed to the regulation of labour conditions by compromise and arbitration. But the workers were beaten again and again; they lost the six months' strike of the Waihi miners for union recognition and the strike of the waterside workers in Wellington and Auckland, where the workers took possession of the wharves in their fight against an arbitration court award. They lost because the Government succeeded in enrolling the farmers on its side, and many a farmer became a strike-breaker. The lesson of the eighties, when small farmers and workers began to join forces, was forgotten, and labour had to suffer from reaction for more than twenty years, basing its government not only on the strength of vested interests in industry and agriculture, in town and country, but also on the split between the small farmers and the industrial workers. The first great rally of the forces of labour took place during the crisis of 1929–33, when the unemployed movement began to be organized (progressive elements from the trade unions, the Labour Party and the Communists forming the leadership). Soon unemployed councils spread over the whole of the country and at some stages more workers were organized in these councils than in the trade unions. Mass demonstrations forced the Government to give increased relief. The unemployed workers continued to harass the Government into new, though as yet only small, concessions. The Government became less and less able to keep the people chained to its chariot of reaction, a not inconsiderable number of farmers began to break away, and the 1935 election brought about the election of the first Labour Government in

New Zealand. The new Government introduced numerous measures designed to improve labour conditions, chief among them the Social Security Law, without, however, changing anything fundamental in the relations between capital and labour.

The Government was supported chiefly by a rapidly growing trade union membership. The trade union movement had developed favourably throughout the whole of the twentieth century. Though the number of organized workers was only about twenty thousand in the beginning of the century, less than 10 per cent of all workers, the New Zealand labour movement entered the first world war with the fair organization percentage of about twenty. After the war the percentage passed the twenty-five mark, the total number of organized workers in 1920 being about one hundred thousand. To-day, about two and a half times as many workers are organized.* The organization percentage, thus, is far superior to that in the European and American countries.† And yet, the history of the last two years has shown that the best and most thorough trade union organization is weak without the drive of a strong, active, politically conscious leadership which succeeds, not only in forcing from the bourgeoisie a thorough liberal reform of conditions, but fights for a change in the social structure of society.

* All figures exclude unions not registered under the Industrial Conciliation and Arbitration Act.

† The 1936 Act providing for compulsory trade union membership on the part of the workers, subject to an award or industrial agreement, is responsible for the increase shown in recent years.

APPENDIX TO CHAPTER IV

LABOUR CONDITIONS IN NEW ZEALAND

I. Tables

1. WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940

(*1900 = 100*)

(*a*) WAGES 1873 TO 1900

Year	*Building Trade Workers*	*Metal Trade Workers*	*Mining*	*General Labour*
1873	88	116	77	100
1874	100	119	113	100
1875	97	108	72	86
1876	106	113	72	86
1877	95	113	72	86
1878	111	108	92	100
1879	106	111	72	100
1880	103	108	87	100
1881	109	108	87	100
1882	103	108	87	100
1883	94	103	87	100
1884	94	108	87	107
1885	94	108	85	104
1886	88	101	77	93
1887	83	95	86	100
1888	79	97	77	86
1889	77	97	75	86
1890	77	92	75	86
1891	73	89	69	86
1892	71	95	77	82
1893	85	87	82	86
1894	71	81	72	93
1895	71	84	82	86
1896	71	81	82	86
1897	73	81	82	86
1898	89	93	79	93
1899	90	92	87	100
1900	100	100	100	100

1. WAGES IN INDIVIDUAL INDUSTRIES, 1873 TO 1940—*continued*

(*1900 = 100*)

(*b*) WAGES 1900 TO 1940

Year	*Food*	*Clothing*	*Mining*	*Metal*	*Building*	*Agriculture*
1900	100	100	100	100	100	—
1901	102	102	100	100	100	—
1902	105	102	110	104	101	—
1903	107	102	111	102	101	—
1904	107	102	111	102	101	—
1905	107	102	111	101	102	—
1906	109	106	111	101	102	—
1907	109	106	115	101	103	—
1908	109	106	115	109	104	—
1909	112	107	121	110	104	105
1910	112	111	121	109	104	106
1911	114	111	123	111	105	107
1912	114	111	123	112	106	107
1913	117	114	125	113	106	107
1914	119	115	134	114	113	119
1915	118	116	135	115	113	138
1916	123	116	135	117	114	142
1917	130	125	140	121	116	152
1918	131	129	153	128	117	160
1919	134	136	156	139	134	170
1920	155	162	163	151	142	176
1921	177	186	206	175	169	178
1922	185	195	211	183	176	173
1923	181	179	203	176	162	178
1924	184	180	208	175	163	177
1925	192	185	210	176	163	178
1926	196	183	210	179	163	178
1927	200	183	210	183	163	177
1928	201	186	208	183	164	205
1929	202	186	208	183	164	205
1930	202	186	208	183	164	202
1931	190	176	196	173	155	176
1932	178	167	189	163	148	138
1933	173	167	188	157	145	129
1934	173	167	189	157	145	132
1935	178	168	193	160	147	135
1936	192	178	202	173	157	175
1937	212	188	215	185	167	205
1938	226	192	223	198	178	213
1939	230	203	223	204	179	216
1940	236	211	232	209	184	218

2. WAGES IN NEW ZEALAND, 1873 TO 1939

(*1900 = 100*)

Year	*Gross Money Wages*	*Cost of Living*	*Gross Real Wages*	Year	*Gross Money Wages*	*Cost of Living*	*Gross Real Wages*
1873	98	105	93	1907	103	109	94
1874	108	115	94	1908	105	109	96
1875	91	105	87	1909	105	108	97
1876	94	103	92				
1877	92	105	88	1910	106	109	97
1878	103	112	92	1911	106	108	98
1879	97	118	82	1912	107	111	96
				1913	111	114	97
1880	99	105	94	1914	115	118	97
1881	101	102	99	1915	122	127	96
1882	99	106	93	1916	125	136	92
1883	96	104	92	1917	131	148	89
1884	99	101	98	1918	135	160	84
1885	98	93	105	1919	146	171	85
1886	90	93	97				
1887	91	78	117	1920	158	192	82
1888	85	85	100	1921	180	194	93
1889	84	81	104	1922	184	179	103
				1923	175	180	97
1890	83	87	95	1924	177	185	96
1891	79	90	88	1925	180	189	95
1892	81	86	94	1926	182	190	96
1893	85	95	89	1927	183	188	97
1894	79	98	81	1928	188	189	99
1895	81	96	84	1929	188	189	99
1896	80	98	82				
1897	81	99	82	1930	188	184	102
1898	88	104	85	1931	177	170	104
1899	92	101	91	1932	161	157	103
				1933	155	149	104
1900	100	100	100	1934	156	152	103
1901	101	102	99	1935	160	157	102
1902	102	105	97	1936	176	162	109
1903	102	104	98	1937	192	173	111
1904	102	104	98	1938	201	179	112
1905	102	108	94	1939	205	186	110
1906	102	110	93				

II. SOURCES AND REMARKS

The statistical material on labour conditions for New Zealand is of an inferior quality to that of Australia. The reason for this is not that statistics of wages and prices in New Zealand are inferior to those for Australia. The reason is a technical one: for Australia we have at our disposal the data for six different

states, and often, again, for different cities within one state; thus, the great number of price and wage quotations reduces the distortion of the index through isolated extraordinary movements or some incorrect reports for individual cities or states. In New Zealand, on the other hand, we have data for one single country only, and for a number of cities within this one country only; some incorrect quotations of prices and wages, therefore, play a much greater rôle in the final index.

Export statistics and those of employment in different industries are taken from the New Zealand Official Year Book.

For the calculation of wage statistics I used (applying the same methods of computation as in the case of Australia), for the years 1873 to 1901, the annual publication Statistics of the Colony of New Zealand (making use only of the data on wages in Auckland), and for the last years of the century, the wage data given by G. W. Clinkard in his wage study published as a special article in the New Zealand Official Year Book, 1919, p. 860 f.; the latter source also was used for wage data for the years 1901 to 1909, supplemented by data from Statistics of the Colony of New Zealand. Since 1909 the regular official wage publications in the Official Year Book were used (the general wage index comprising more data than given separately in my tables). In the text we remarked upon the fact that in calculating average wages by trade cycles we used agricultural wage data which are missing in the yearly statistics up to 1909. In order to facilitate the observation of the influence of the additional data on the index I give here the real wage data, including and excluding agricultural wages:

REAL WAGES, 1873 TO 1908

(*1900 = 100*)

Trade Cycle	*Wages including Agriculture*	*Wages excluding Agriculture*
1873–87	97	95
1888–95	94	92
1896–1908	96	93

Agricultural wages have had an elevating influence upon the index of general wages in the thirty-five years between 1873 and 1908, not because agricultural wages were higher than those in

other industries—on the contrary, they were lower—but because, as compared with the twentieth century, agricultural wages in the last quarter of the nineteenth century were much higher than industrial wages; or, to express it differently, while wages in other industries showed a tendency to rise over the period under review, agricultural wages remained rather stable.

The cost of living was calculated from the following sources: food prices, 1873 to 1891, in Auckland, taken from the annual Statistics of the Colony (bread, beef, mutton, butter, milk, tea, coffee, sugar, tobacco and, since 1885, also eggs and potatoes, each weighted according to the weights given in the official Report on the Cost of Living in New Zealand, 1891–1914); food prices in Auckland, 1891 to 1900, as given in the above-mentioned official cost-of-living study; fuel prices, 1885 to 1900, as given in the annual Statistics of the Colony and in the cost-of-living report; rent prices, 1891 to 1900, as given in the cost-of-living report. Cost of living, 1900 to 1939, as published in the cost-of-living report and in the Official Year Book.

The accident, strike, and trade union membership statistics are taken from the Official Year Book.

CHAPTER V

LABOUR CONDITIONS IN SOUTH AFRICA

SOUTH AFRICA is famous the world over for the complexity of its labour conditions. It forms a special field of investigation for the advanced student of capitalist exploitation. In it we find characteristics which dominate the picture in primitive colonies and at the same time characteristics which dominate the picture in dominions populated by white men.

South Africa, in contrast to Canada or Australia or New Zealand, has a large native population. At the same time, in contrast to other African colonies, or to India, she has a large white population. Unlike India, she has no native bourgeoisie. In contrast to that in other dominions, the bourgeoisie in South Africa is split into two sections, British and Africanders, each with a different national background and with different vested interests, the former, for example, dominating mining, the latter having a large share in the secondary industries and in the big estates.

To complicate the situation, the white population is sharply divided into the rich and the poor—and this in a country where white domination "socially" requires a considerably higher standard of living for the whites than for the natives.

* * *

Economically, the dominant features of the country during the last seventy years have been agriculture and mining, first diamond mining and then gold mining. Even to-day manufacture plays a secondary rôle in industry as compared with mining.

British interests dominate the economy of the country; almost half of the outstanding debt has been floated in London. This does not mean that there are not some very prominent South African capitalists with considerable investments in the dominion.

* * *

Before we study the conditions of labour it is useful to get some idea of the number of workers employed and the racial distribution of the workers in the various branches of South African economy.

The total population of the Union is around ten million, of which about two million are "Europeans"—that is, white—while eight million are "Non-Europeans"; of the latter, almost seven million are Bantus, a quarter of a million are Asiatics—among them many Indians—and about eight hundred thousand are coloured. The relation between the different races has changed little during the twentieth century.

But while the relation between the different races has changed little, the twentieth century brought the problem of the "poor whites." Officially this problem is recognized in the following language:* "There is, for example, in the Union, a portion of the population generally known under the somewhat unsatisfactory name of poor whites, whose number, though never accurately determined, is known to be very considerable, and whose presence in the great industrial centres and other urban areas has been recognized as constituting one of the greatest social problems of the Union." In actual fact, one can estimate the number of "poor whites" at about one-sixth of the white population. Who are they? What is their origin? Why are they a problem? There are millions of poor whites in Britain and they are not regarded as "one of the greatest social problems." On the contrary, the attitude of the ruling class is that, though one must do something for them if one can, they have always been here and they belong to society as constituted to-day. So why are they such an urgent problem in South Africa? The reason is, that in a country where white workers are officially called "civilized labour," and where the mass of the workers are natives, poor whites are a danger to the myth of the white man's superiority. If white men are unemployed, if white men are going hungry, if white men behave immorally on the streets instead of in their private well-furnished homes, if white men come down to the standard of the natives, then society is endangered, and thus the poor whites become a terrific social problem.

* *Official Year Book of the Union of South Africa*, 1931–32, p. 167.

These poor whites were originally farmers, hunters or simply adventurers, most of them of Dutch stock; that is, Africanders who lost their occupations (as hunters), who lost their cattle (through the Rinderpest), but who continued to stay on the land, holding on to a small plot which did not suffice to keep them going, or who tried to find work "in superior positions" no other farms, or who drifted into the cities to find "white work"; who declined "Kaffir work"; who, though becoming demoralized and sinking to the status of "Lumpen-proletarians," felt themselves to be above the natives, and preferred to see their children grow up as illiterates and without any kind of training rather than gain a livelihood in competition with native labour. They are the sorry products of class prejudice and exploitation, of capitalist robbery and snobbery. They are the victims of the general crisis in capitalist agriculture with monopoly landlordism on the one hand, and on the other hand technical backwardness, gradual splitting up of holdings which were small to begin with, of growing indebtedness and price manipulation in favour of industry. The only way out of their misery, a common front with the natives, they consider to be barred because of their own race complex, which is well-nourished and constantly maintained by their richer "equals in civilization." They have proved a fertile ground for Fascist propaganda.

Native labour, of course, is the chief source of exploitation, or, as it is expressed officially:* "It is generally admitted that the prosperity of South African trade and industry depends to a very great extent on an adequate supply of relatively cheap, unskilled, non-European labour. This labour is available in the form of (*a*) Cape Coloured, (*b*) Asiatics, (*c*) natives." How important a source of exploitation native labour is to the employers, especially to the mine-owners, is easily illustrated by the fact that in the mines a certain ratio is fixed between European and native labour, and when the world economic crisis of 1921-22 came, the mine-owners tried successfully to keep their profits as high as possible by changing the ratio between Europeans and natives in favour of the natives. The white employees struck unsuccessfully against this change in the ratio. Between 1911 and 1921, the ratio of white to native labour in the

* L.c., 1938, p. 306.

Witwatersrand gold mines fluctuated between 1 to 7.4 and 1 to 9.1; in 1922 it declined to 1 to 11.6. The higher the proportion of native labour the higher the profits.

At the same time, and quite contrary to the above tendencies,* "The steady influx into the towns from country districts of large numbers of Europeans of the semi-skilled and unskilled type has led to the development of a sentiment favourable to the employment of European labour in occupational spheres which in past years were regarded as adapted primarily for native labour." However, the problem is not simply of finding work for white workers in new occupational spheres, where up to now native labour was employed. For native labour, as we have seen, is preferred because it is cheaper and white labour, the rules of society demand, must get considerably higher wages. One must find such work for white labour which, by "its very nature is superior," for "the unskilled European worker has of necessity found himself in active competition with the native or coloured labourer, forced to maintain a higher standard of living, but not readily able to command a rate of pay compatible with the maintenance of what has come to be regarded as the traditional European or civilized standard of life."†

The complexity of labour problems, from the point of view of the ruling class, becomes clearer. The employers are all out for native labour, for native labour is cheaper and gives higher profits. The existence of a large class of poor whites influences "public opinion" (that is, the largest part of the white population which is not big capitalist) in the direction of favouring large-scale employment of white labour where, beforehand, native labour was chiefly used. This means, however, that higher wages are paid for work done previously by natives, for the whites must have a decent, civilized, European standard of living which, of course, is not necessary for native labour. On the other hand, while the margin between native and white labour must exist, it should be as small as possible.

But, as if this were not complex enough, further difficulties arise from the following fact: there is "in recent years the increase of native and coloured competition in semi-skilled occupations."‡ That is, the native workers become competitors

* L.c., 1938, p. 260. † L.c., 1931–32, p. 167. ‡ L.c., 1923, p. 308.

in occupations which formerly were held to be exclusively reserved for white men. And not only that: the employers are so anxious to employ native labour that they are forced, while competing against each other for this labour, to improve the natives' working conditions to a certain degree. "While the mining industry was at one time almost the only well-paid source of employment for natives, other industries and undertakings are making increased use of native labour, and, by improving conditions of employment, are becoming formidable competitors in the labour market. The time has arrived when the extent to which employers will be able to obtain native labour will depend on how their conditions of employment and observance of contractual obligations compare with those of their rivals."* But even such a frightening appraisal of the situation does not show all the difficulty of the situation in which the ruling capitalists find themselves. There is an additional factor which promises to become the most menacing: the natives are becoming restless and politically conscious. "In recent years tendencies towards industrial and political unrest and some crude form of industrial combination have manifested themselves among urban natives. The strike of seventy-one thousand natives employed on the Witwatersrand mines in 1920 was a phenomenon which had not previously been witnessed in South Africa on a similar scale; and it had particular significance as an evident reflection of sentiments and methods prevailing among European workers. In its annual report for 1921, the Native Affairs Commission dwelt on this aspect of native evolution, and noted, as symptoms of the new conditions of native life, the increasing disintegration of the old tribal system, the moral decline of the people, the influence of the half-educated agitator, and the existence of a growing dissatisfaction with authority."†

It is obvious that under such conditions semi-Fascist and Fascist ideas have found fertile ground in the ruling class, and that class dictatorship, based on a racial ideology, seems to some sections of the bourgeoisie to be a solution for the difficult problem of keeping the white workers in check. The latter are fed with the idea that, although they may be poor and their life wretched, they are much better off—if not economically,

* L.c., 1938, p. 476.

† L.c., 1923, p. 980.

at least socially—than the natives who are their slaves. It is equally obvious that for the mass of the white workers there is only one solution: to join hands with the native workers.

* * *

The majority of the people are engaged in agricultural work. Among the other industries of the country the most important is mining, which employs almost half a million workers. About 80 per cent are engaged in gold mining. Somewhat more than 11 per cent of the employees are whites, a relatively small number, if we remember that the total population is about 20 per cent white. The percentage of whites has, as we have seen, fluctuated somewhat during the present century, and in years of depression or crisis it tended to decline; but taken as a whole, the fluctuations have not been very large, and except for the years of the South-African War at the beginning of the century, the percentage of white employees in mining has never corresponded to the percentage of whites in the total population but has always been considerably lower.

Where manufacturing is concerned, the situation is the reverse. The percentage of white employees is far larger than the percentage of whites in the population. At the beginning of the century (in 1904) the number of whites engaged in manufacturing was about thirty thousand, while that of other workers was about fifty-six thousand; by 1920 the number of whites and of other workers had about doubled, the relation between them thus remaining about the same. To-day, the number of European workers has more than doubled as compared with 1920, while that of other workers had increased rather less. The percentage of white workers has increased in the factories as compared with the beginning of the century as well as with 1920, and, as we have said, it always was very considerably larger than the percentage of whites in the total population.

Of the one hundred thousand or more employees on the railways, somewhat more than 50 per cent are whites; here the percentage distribution of the workers corresponds even less than in manufacturing to the composition of the population as a whole.

If we investigate the distribution in individual occupations

of the gainfully occupied according to colour, we find that in many occupations, especially at "the top and the bottom of the social ladder," there are either almost exclusively white workers or only coloured workers. The big company directors are white men, the underground coal miners are black men. If we relate the occupations to the salary or wage in them, we find a very interesting relation between the colour composition of the population and the colour composition of the people engaged in the specific occupation. The relation can be expressed as follows: the higher the wage or salary the lighter the average colour of the people working for it.

The difference between the wages of native workers and employees and white ones is, in fact, enormous. This can easily be seen, for instance, from the following four figures taken from the last statistical survey of wages and salaries paid in the mining industry:*

In 1939—

55,008	Whites received	£21,104,467
425,131	Others received	£14,129,172.

These four figures show that almost eight times as many native workers receive altogether only two-thirds of the total wage sum which the European workers and salaried employees are receiving. The average wage and salary per white worker is, according to the above figures, about £384 per year, that of the native worker is only about £33. These figures, however, hide a number of important facts. Among the whites are a number of very highly paid business executives and a large number of considerably less well-paid clerks and skilled workers. The native workers, on the other hand, receive some additional payment in goods which the whites usually do not receive. This is estimated by the Chamber of Mines to be worth somewhat more than a guinea per month.

But, whatever deductions one must make on the one side, and whatever additions on the other side, the difference between the wages of native and white labour remains enormous. This puts the relation between these two groups of workers on an altogether different level, for instance, from that between white and black labour in the United States. For in South Africa the

* *Annual Report of the Government Mining Engineer* for 1939, p. 2.

wages of the whites are infinitely higher in relation to those of the coloured or natives than is the case in the United States.

* * *

In the following table we study first the changes in wage rates paid to white workers in a number of industrial groups since 1914, with some additional data for some preceding years:

WAGES IN INDIVIDUAL INDUSTRIES, 1895 TO 1938

(*1910 = 100*)

Year	*Gold Mining*	*Engineering and Metal Working*	*Building*	*General Manufacturing*	*Transport and Communication*
1895	97	96	95	94	—
1900	102	96	98	96	—
1905	108	98	101	99	—
1910	100	100	100	100	100
1914	98	102	104	104	111
1915	100	102	104	109	112
1916	98	111	105	114	119
1917	104	116	127	119	126
1918	111	131	136	127	136
1919	118	141	144	141	158
1920	157	169	172	170	195
1921	161	168	164	156	155
1922	111	126	141	142	151
1923	112	124	141	139	152
1924	117	124	141	138	154
1925	113	127	141	138	155
1926	116	127	141	139	156
1927	117	131	141	140	155
1928	118	131	146	141	155
1929	119	133	146	141	154
1930	120	133	146	137	158
1931	120	132	142	137	138
1932	120	130	130	136	132
1933	120	130	130	136	132
1934	119	130	129	139	136

WAGES IN INDIVIDUAL INDUSTRIES, 1895 TO 1938—*continued*

(*1910 = 100*)

Year	*Gold Mining*	*Engineering and Metal Working*	*Building*	*General Manufacturing*	*Transport and Communication*
1935	120	130	146	143	138
1936	120	131	149	144	143
1937	120	132	149	146	145
1938	120	133	151	148	146

Unfortunately, no data on the development of wages in agriculture are available. But even these figures are sufficient to show that the development of wages was in some individual industries quite different from the general trend. Foremost in interest is the development of wages in the largest single non-agricultural industry—in gold mining. Here wages have increased up to the end of the war very much less than in the other industries. In fact, in 1918 wages in gold mining had increased, since 1910, less than half as much as in any other large industry. Even after the jump in wages in 1920, gold mining still lagged behind considerably, while transport and communications had rapidly pushed forward, ahead of the other industrial groups. From 1920 to 1921 wages fell rapidly in all industries except mining, and wages in all industrial groups had reached a remarkably equal level as compared with 1920. But during the following year mining wages dropped steeply while transport wages remained almost stable, and since then mining wages have remained on a relatively low level, while transport and communication wages kept to the relatively higher level until 1931, when they dropped to what proved to be the general wage level for the remaining years under review.

If we now investigate, in the following table, the average wages for industry as a whole and their comparative changes in relation to prices, we must keep in mind two important facts: firstly, that these wages are wage rates, not actual earnings received, and secondly, that these average wage data exclude agricultural wages. Unfortunately it is not possible to measure the inroads which unemployment has made into the wages received by the white worker. Of course, this fact considerably distorts the figures in a period when unemployment is high or

rising. A second table, giving average wages for white as well as native and coloured workers and a comparison between these wages and prices, follows.

GROSS MONEY WAGES, COST OF LIVING, AND GROSS REAL WAGES OF WHITE WORKERS, 1895 TO 1939*

(*1910 = 100*)

Year	*Gross Money Wages*	*Cost of Living*	*Gross Real Wages*	*Year*	*Gross Money Wages*	*Cost of Living*	*Gross Real Wages*
1895	96	104	92	1925	138	145	98
1900	98	119	82	1926	138	143	100
1905	101	108	93	1927	138	143	97
				1928	139	144	98
1910	100	100	100	1929	140	143	99
1914	103	109	97				
1915	105	115	94	1930	140	140	101
1916	110	122	93	1931	135	135	101
1917	117	134	91	1932	131	129	103
1918	130	143	94	1933	132	125	106
1919	141	158	92	1934	132	127	105
				1935	137	126	110
1920	172	196	91	1936	140	127	111
1921	164	197	96	1937	140	130	109
1922	139	148	97	1938	141	134	106
1923	137	143	99	1939	141	134	107
1924	137	145	98				

From the above figures it is obvious that real wages have changed very little during the whole century, except for the last few years, when they seem to have increased somewhat above the level prevailing before. If we remember, however, that these years were years of unusually high unemployment and very rapidly increasing intensity of work (neither of which has been taken into account), then we realize how deceptive these figures are. One may say, therefore, that if one takes into account wage losses through unemployment, real wage rates over the whole period under review—that is, during the twentieth century—have changed very little indeed.

Now let us look at a table showing wages for all workers, whether white or coloured or native.

* The Gross Real Wages index is not the result of a division of the Cost-of-Living index into the Gross Money Wages index, but of a combination of several gross real wage indices for separate wage groups. Real wages of gold miners are, for example, calculated with the help of the retail price index for the Witwatersrand.

ACTUAL EARNINGS OF EMPLOYED WHITE AND COLOURED WORKERS AND THEIR REAL WAGES, 1902 TO 1938

(*1902 = 100*)

Year	*Money Earnings*	*Real Earnings*
1902	100	100
1903	97	106
1904	88	101
1905	86	103
1906	82	105
1907	75	96
1908	75	95
1909	81	105
1910	85	108
1911	86	104
1912	89	105
1913	91	105
1914	95	112
1915	95	107
1916	92	97
1917	97	93
1918	107	96
1919	119	96
1920	139	91
1921	135	98
1922	115	100
1923	115	103
1924	114	100
1925	118	105
1926	112	101
1927	112	101
1928	112	101
1929	117	105
1930	112	103
1931	117	111
1932	116	115
1933	119	121
1934	124	125
1935	125	128
1936	127	129
1937	131	129
1938*	135	128

Taking into account short-time, but not unemployment, actual real earnings of the mass of the workers in South Africa declined, in comparison with the beginning of the century, during the previous world war. During the twenties they again reached the level of the early years of the century. The rapid increase during the thirties is offset by the rapid growth of wage losses through unemployment which, unfortunately, do not show in the above table.† On the whole, the workers in Africa have not fared differently from those in other parts of the world; their purchasing power during the twentieth century has not risen, while the security of employment declined rapidly during the thirties.

* * *

* Preliminary figures.

† It is absolutely impossible to give any data on the extent of unemployment. It is significant of the condition of unemployment statistics that the *Official Year Book* quoted above (1940, p. 250) terms rightly the unemployment position in 1933 as "particularly acute" and then gives a figure of 14,678 "European male adults registered for employment" in July 1933, which does not mean anything in relation to the actual number of unemployed.

And while their purchasing power has not risen, while the security of their job has declined, the intensity of work has increased. More is taken out of them, and exhaustion, in spite of the shortening of the working day, is greater to-day than it was before. Nor do the workers suffer only from the increase in the intensity of work. In addition, miners' phthisis prevails to a very large degree among the workers in the largest non-agricultural industry. True, considerable progress has been made in combating this disease among the white workers. During 1938–39, 30,465 European miners were examined for tuberculosis and silicosis—that is, considerably more than half of all employed white miners. The incidence rate per thousand miners was 7·61 for silicosis, 1·19 for tuberculosis, and 0·16 for a combination of tuberculosis and silicosis—that is, not quite 1 per cent for all three categories together. Ten years before the rate was almost 4 per cent, and twenty years ago it was almost 7 per cent.

Quite different, however, is the situation among the native workers. Though more than half the white mine workers were medically examined, out of the 316,000 native labourers, less than 1 per cent, only 2,531, were examined. How has the incidence rate among them developed? The absolute figures are quite uninteresting, since only so few workers were examined. But the change in the rate is significant: since 1932–33 the incidence rate has increased from year to year, except for 1935–36, when it remained stable. The rate of 1938–39 is a record one.

An official statement about tuberculosis in South Africa makes impressive reading and shows clearly how poorly the native population was protected.*

"From about 1880, consumptive patients began to come out to South Africa from Europe. The majority of these proceeded to the towns and villages in the dry, elevated areas of the interior. Within the next two decades the infection was widely disseminated, and the disease had taken a firm hold on the coloured and native population in which it found a virgin and congenial soil. In them it generally runs an acute course, and the percentage of recoveries, even under favourable conditions, is small. The disease is now widely prevalent among the coloured and native population, especially in the Cape Peninsula and south-

* L.c., 1938, pp. 171, 172.

western districts of the Cape Province, and in the other towns of the Union. In some districts, however, it is becoming increasingly prevalent among the natives of the rural areas."

Another illness striking down the natives is typhus fever, and it is most interesting to see that in discussing this disease the official statement even goes so far as to concede that there exists a process of pauperization among the natives:*

"This prevalence (of typhus fever—J. K.) is to be ascribed in large measure to the pauperization process affecting the non-European, especially during the depression years."

Syphilis, of course, is another very widespread evil brought to the natives through European channels; in some parts of the country up to 25 per cent of the native population are infected.

One of the reasons why diseases are so widespread and why they affect also the poor whites to a high degree, is the very low standard of housing and the wide spread of malnutrition. Reporting on the semi-official Enquiry into the Poor White question in the Union, the Official Year Book says:†

"The dwellings and domestic arrangements of the poor whites are unsanitary and defective in the generality of cases . . . nutrition is both unsatisfactory and unsuitable, and in some districts malaria is prevalent. The poverty and ignorance of the class, owing to insufficiency of food and wrong diet, is weakening their resistance to disease and reducing their working powers and capabilities."

In fact, wages are so low that the official Year Book openly says:‡

"The wages paid, especially to beginners, are low, and in many instances young workers who have migrated from the rural areas and are away from home cannot meet the cost of boarding and lodging under satisfactory conditions."

* * *

The organization of labour encounters many difficulties in South Africa. In important parts of the Union natives are

* L.c., 1938, p. 173.

† L.c., 1931–32, p. 273. The inquiry "The Poor White Problem in South Africa," was made by the Carnegie Foundation with help from Government Departments.

‡ L.c., 1938, p. 220.

required to carry passes. Pass-bearing natives, however, are not regarded as "employees" and therefore they are not allowed to join a registered trade union. Furthermore, illiteracy is very high among the natives and the difficulty of organizing them and educating them to become politically conscious members of any kind of labour organization is very great. Without the natives, on the other hand, no really energetic and successful labour movement can be built up in South Africa. The first organized movement of the non-European workers was the successful action by the Indian workers in 1913 against the £3 tax in Natal on all those who refused, at the end of their period of indenture, to renew the contract. Immediately after the last world war a large-scale political and economic movement began among the natives. There were many strikes in which the natives took part. In February 1920, seventy thousand native miners struck in the Rand Gold Mines for higher wages and opportunity for employment in more skilled work. They were not supported by the European workers and trade unions, and the strike was put down with the methods of violence and terror usual in South Africa. Two years later the greatest and largest strike in the history of labour in South Africa broke out, the strike of the Rand workers, the "Rand Revolt," culminating in a general strike. But just as the strike of 1920 was a native workers' strike, so the strike of 1922 was a European workers' strike—the chief issue was the brutal proposal by the mine owners of a general wage reduction and the partial replacement of European by native workers. The trade union leadership at that time was partially morally corrupted, ready for compromise, and decided finally, much too late, on calling of a general strike only when it could no longer withstand the pressure of the masses of the workers. The Government succeeded again—just as in 1920 and on so many minor occasions—in suppressing the strike. In contrast to conditions in Great Britain this strike, as so many others in South Africa, was significant also for its violence, people being killed on both sides. Since then labour began to lose its militant spirit. True, for some years there was the hopeful development of the native workers' movement, which began with the establishment of the Industrial and Commercial Workers' Union (I.C.U.) under the leadership of Clements

Kadalie and which reached a membership of over fifty thousand in 1926–27, the culminating point of its development. True, there is the splendid development of trade unionism in some trades, especially in the clothing industries, where the Garment Workers' Union (Transvaal) organized the epic general strikes in 1931 and 1932, and where thousands of young Africanders women fought the organized power of the state. True, there is the fine story of how the militants were elected to key positions in the South African Trade Union Congress, which originally was founded for the purpose of giving the reformist labour leadership a "mass background." And yet, the South African trade union and labour leader, E. S. Sacks, is right when he remarks:* "The absence of a militant policy has brought trade unionism in South Africa to a state of impotency and unless the present policy is changed and changed very rapidly, complete disaster will inevitably follow."

APPENDIX TO CHAPTER V

LABOUR CONDITIONS IN SOUTH AFRICA

Sources and Remarks

The statistical material available for the observation of the development of labour conditions in South Africa is not first-class, especially as far as labour conditions of natives are concerned. Some of the Government's statistical studies are carelessly done. I have found one mistake which even a first-year student of statistics ought to have avoided (cf. the table of the cost of living on p. 67 of *Social Statistics*, S.P. 13, Pretoria, 1919).

For wages in individual industries, cf. the data given in the Official Year Book of the Union in South Africa: the wages in gold mining during the years 1915 to 1919 are interpolated with the help of data on actual earnings. Average gross money wages and the cost of living also are taken from data given in the Official Year Book. Actual earnings were calculated in the following way: from the data on the number of employed and

* Foreword to *Class Struggles in South Africa*, by W. H. Andrews.

on total wages and salaries paid in the manufacturing industries, on the railways and in the mining industry, average wages per worker were calculated, and these average wage data per worker were combined and weighted according to the number of employed. The manufacturing year usually covers the period from July to June, the railroad year usually that from April to March, while the mining year, since 1911, is identical with the calendar year. The wages were combined in such a way that the first part of the manufacturing and mining year were taken as indicative for the calendar year. This means that if the manufacturing year begins, e.g., in July 1920 and ends in June 1921, the wage is called the wage for 1920. All the data are taken from the Official Year Book, except for the early mining data which, for the years 1902 to 1911, refer to gold mining on Witwatersrand only, and which are taken from the Annual Reports of the Government Mining Engineer, and the early railroad data (1911–12 to 1917–18), which are taken from the Annual Reports of the General Manager of Railways and Harbours. For the years before 1911 average wages and wages in the above-mentioned gold mines are identical; at that time the vast majority of non-agricultural workers were in fact employed by the mining industry.

The cost-of-living data for the early years of the century, for the years 1902 to 1904, and 1906 to 1909, were taken from the above-mentioned bulletin called Social Statistics, dealing with "Statistics of Retail and Wholesale Prices, Rents, and Cost of Living, 1895 to 1919."

CHAPTER VI

LABOUR CONDITIONS IN THE DOMINIONS AND IN INDIA DURING THE WAR

THE war changed conditions for labour in numerous respects. In the Dominions, the changes have not, on the whole, been radically different from those in Britain. The movement of persons into industry, and from certain light industries into heavy industry, seems to have been more pronounced in the Dominions than in Britain, but so far, at least, this appears to be merely a greater stressing of the same tendency. As in Britain, we note in the Dominions rationing and the regulation of wages and prices, though, on the whole, to a lesser degree. The restriction of the mobility of labour and of the right to strike in war-time, can also be found in the Dominions, though often less drastic than in Britain. Labour accepts these restrictions in the interests of our war against German Fascism, a system which menaces the elementary liberties which workers enjoy in Britain and the Dominions.

In contrast to the Dominions, labour conditions in India have deteriorated sharply—much more than would seem to be entailed by the demands of the war. The few liberties which Indian labour enjoyed before the war have been still further curtailed and the standard of living has declined steeply. While because of similarity in their development, it is possible to deal with conditions in all the Dominions as a whole, and with those in the Dominions and in Britain in a joint survey, the situation in India requires special treatment; labour conditions in that country are on a different plane.

For this reason we subdivide this survey into two sections: one dealing with Canada, Australia, New Zealand and South Africa, and the other with India. Unfortunately, it is, because of lack of statistical material, not possible to achieve even a rough survey of the war-time labour conditions in the Colonies; on the whole, though, their development has more resembled that of

India than of the Dominions. In some respects the level from which Colonial conditions began to move in 1939 was even lower than in India, as the next chapter, dealing with some aspects of pre-war conditions will indicate.

1. Labour Conditions in the Dominions during the War

The war has brought about a very considerable increase in employment. Not only were the unemployed workers absorbed into industry or the armed forces, but the total number of workers now employed is considerably greater to-day than at any time before the war.

The following figures give some indication of the absorption of the unemployed in the course of the war:

UNEMPLOYMENT IN THE DOMINIONS, 1938–1943[1]

	Canada	*Australia*	*New Zealand*	*South Africa*
Year	*Per cent in Trade Unions*		*Number, Male**	
1938	13·1	8·7	4,757	
1939	12·2	9·7	6,429	
1940	7·8	8·0	4,352	No data
1941	4·5	3·7	2,020	available
1942	2·2	1·6	825	
1943	0·8	1·1	403	

In the three Dominions for which we have figures unemployment has practically disappeared. The right to work having become a duty to work, practically nobody able to work is out of employment.

The mobilization of all labour forces in the fight against German Fascism becomes even more impressive when we look at the following employment figures:

EMPLOYMENT IN THE DOMINIONS, 1938–1943[2]

(*1929 = 100*)

				South Africa§	
Year	*Canada†*	*Australia‡*	*New Zealand‡*	*Europeans*	*Total*
1938	94	124	124	146	148
1939	96	126	131	148	149
1940	104	131	137	149	156
1941	128	145	no further	155	164
1942	146	163	data	159	170
1943	155	171	collected	157	160

[1] This and all following tables are based on the regularly published official statistics except when otherwise noted.

[2] For footnotes see p. 150.

The increase in employment was truly extraordinary. It amounted to over 50 per cent in the case of Canada; it was smallest in South Africa where the war effort in the economic field is smaller than in any other Dominion and where the treatment of the Africans would have made an all-out war effort impossible. If we study the distribution of the increase in employment over the various groups and branches of industry, we observe the following salient features:

EMPLOYMENT IN CANADA, 1938–1943

(*1929 = 100*)

Year	*Printing*	*Steam Railways*	*Construction*	*Mining*	*Iron and Steel Products*	*Chemicals*
1938	96	69	81	130	80	135
1939	100	70	87	136	78	137
1940	102	73	70	140	104	168
1941	107	81	98	147	164	285
1942	107	88	101	143	233	527
1943	105	97	101	132	281	532

EMPLOYMENT IN AUSTRALIA, 1938–1941 ||

(*1929 = 100*)

Year	*Furniture*	*Clothing*	*Woodworking*	*Mining*	*Metals, Machinery, etc.*	*Chemicals*
1938	113	104	116	129	137	134
1939	110	105	115	135	136	141
1940	106	107	118	131	142	169
1941	107	109	126	137	170	231

The employment figures show on the whole an increase in almost all branches of industry, but those which are most directly concerned with the war effort show the most rapid rise in the number of employed. The greatest rise, if we look on whole industries and not on individual branches, has taken place in the chemical industry.

* * *

* Excluding persons regarded as unfit for employment; since April 1939, only the number of unemployed in receipt of benefits.
† Mining Industry, Transportation, Communication.
‡ Industry, average for twelve months ending June of year indicated.
§ Mining Industry, Transportation.
|| No further figures published.

While unemployment and employment show very considerable movements, wage rates have been relatively stable.

WAGE RATES IN THE DOMINIONS, 1938–1943

(*1938 = 100*)

Year	*Canada*	*Australia*	*New Zealand*	*South Africa*
1938	100	100	100	100
1939	101	102	102	101
1940	104	106	105	102
1941	114	112	109	no further figures
1942	122	121	113	collected
1943	132	128	117	

The incomplete data at our disposal indicate a slow rise in wage rates during the first year of the war, followed by a modest acceleration in the following years. The rise was quicker when the country concerned was drawn more seriously into the war. In Canada a relatively sharp rise took place during 1941; a correspondingly noticeable rise of wage rates can be observed in Australia only in 1942, after the entrance of Japan into the war. In South Africa the rise has been a small one during the whole period of the war—not surprising, if we take into account this Dominion's relatively small industrial effort for the war.

Actual earnings rose more quickly than wage rates, partly because of the disappearance of short time and the lengthening of the working week, and partly because of special bonuses which are not reflected in the wage rates' index. Unfortunately we are able to study the development of earnings only in Canadian manufacturing industries (and even here, because of changes in the methods of computation and delay in census publications, the index is not of the best quality) and in New Zealand for the week nearest to March 31st, each year.

EARNINGS IN CANADA AND NEW ZEALAND, 1938–1943

(*1938 = 100*)

1938	100	100
1939	102	105
1940	113	110
1941	128	118
1942	144	129
1943	160	—

Even if it is not possible strictly to compare the indices of wage rates which in the case of Canada, e.g. includes apart from manufacturing also transport, mining and other industries, and the above indices of earnings—in the case of Canada confined to the manufacturing industry only—it is obvious that earnings rose during the war considerably more than wage rates; wage rates in Canada show a rise of only about 3 per cent during the first year of the war, while earnings showed one of 10 per cent; rates showing a rise of less than a quarter up to 1942 while earnings increased by almost one half, and so on. Such differences cannot be explained by technical difficulties of comparison. Moreover, the fact that earnings rise more than rates can be confirmed by the statistics of Britain, the United States and other countries.

When we study the development of wages by industries and branches of industry, we find that the rise has been very uneven. Just as during the last war, they rose more in industries directly connected with the war; and among the most conspicuous increases—also a parallel to 1914–18—is that of agricultural workers, whose wages had slumped so sharply from 1919 to 1939.

WAGE RATES IN CANADA, 1938–1943

(*1935–39 = 100*)

Year	*Building*	*Metals*	*Printing*	*Mining Coal*	*Steam Railways*	*Common Labour*	*Agriculture*
1938	103	104	102	103	105	105	103
1939	103	105	102	103	105	106	108
1940	106	109	104	104	105	110	116
1941	112	119	109	117	118	122	143
1942	118	126	114	122	120	133	—
1943	129	133	116	129	132	149	—

HOURLY WAGE RATES IN AUSTRALIA, 1938–1943 (MEN)

(*in shillings and pence; June of each year*)

Year	*Building*	*Metals*	*Printing*	*Mining*	*Railways*	*Domestic Hotels, etc.*	*Clothing*
1938	2 4¼	2 1¾	2 6½	2 5	2 0¾	1 10¾	2 0½
1939	2 5¼	2 3	2 7¼	2 5¾	2 1½	1 11½	2 1¼
1940	2 5¾	2 3¼	2 7¼	2 7¼	2 2½	2 0½	2 1¾
1941	2 7¾	2 5	2 8¾	2 8¾	2 5	2 2	2 4
1942	2 9¾	2 7¼	2 10½	2 10	2 6¾	2 3¾	2 6¼
1943	2 11½	2 8¾	3 1½	3 0½	2 9	2 5½	2 8½

WAGE RATES IN NEW ZEALAND, 1938–1944 (MEN)

(*1926–1930 = 100*)

Year	*Building*	*Metals*	*Printing*	*Mining*	*Railways*	*Clothing*	*Agriculture*
1938	112	121	125	112	109	106	85
1939	113	124	125	112	112	112	86
1940	116	127	128	116	116	117	87
1941	120	130	131	120	120	120	87
1942	124	135	136	128	126	126	93
1943	126	136	137	132	130	129	99
1944*	126	136	137	134	130	130	99

The rise in wage rates was quicker in Canada and Australia than in New Zealand and South Africa. The process of differentiation between wages was more intense in Canada and Australia than in New Zealand. In fact, in New Zealand there is almost no difference in the rise of wages in the printing industry, the metal industry and agriculture: industries which are respectively little related to war production, closely related to war production, and one which usually shows a rapid rise during war time. But even in the case of New Zealand, where the expected wage differentiations are almost nil, one must remember that the number of workers in the war industries has risen more rapidly than in others, and, as wages in the war industries are always somewhat higher than in consumption goods, the war has accelerated the average rise of wage rates more than the above figures indicate.

* * *

While the development of wage rates and earnings during the war is of considerable importance to the standard of living, the relation between wages and cost of living during war years is of even greater importance than in peace-time. The reason for the enhanced importance of this relation is that during the war the movement of prices is usually much more pronounced. If we know the development of wages between two years in peace-time, a missing cost-of-living index is usually no tragedy; during the war it is absolutely impossible to make any guess as to the development of real wages without a cost-of-living index.

The cost of living in the various Dominions developed as follows:

* June 1944

COST OF LIVING, 1938–1943

(*1938 = 100*)

Year	*Canada*	*Australia*	*New Zealand*	*South Africa*
1938	100	100	100	100
1939	99	103	104	100
1940	103	105	108	103
1941	109	111	112	108
1942	114	118	117	117
1943	116	128	119	124

According to these official data the cost of living has risen relatively little during the war. In contrast to Britain the rise was generally smallest in the first few years of the war, and gathered momentum later on when the official cost of living index in Britain was practically stabilized.

If we compare the rise in the cost of living with that of wage rates we arrive at the following figures:

REAL WAGE RATES, 1938–1943

(*1938 = 100*)

Year	*Canada*	*Australia*	*New Zealand*	*South Africa*
1938	100	100	100	100
1939	102	99	98	101
1940	101	101	97	99
1941	105	101	97	—
1942	105	103	97	—
1943	114	100	98	—

If we compare the rise in the cost of living with that of earnings we get the following results:

REAL EARNINGS, 1938–1943

(*1938 = 100*)

Year	*Canada*	*New Zealand*	*Year*	*Canada*	*New Zealand*
1938	100	100	1941	117	105
1939	103	101	1942	126	110
1940	110	102	1943	138	—

From these figures one gets the impression that real wage rates have remained roughly stable during the war, except for a moderate rise in Canada in 1943. Real earnings, however—due to war bonuses, the lengthening of the working day and working week, and the shifting of workers from lower to better paying industries—seem to have risen not inconsiderably.

This impression, however, does not correspond to reality to the extent that the official cost-of-living indices under-estimate

the rise in prices of the goods which the workers buy. These indices give too much weight to the commodities which, to a considerable extent, are under government price control, and too little to those commodities whose prices are under less stringent control or none at all, and, consequently, have risen substantially. It is the old, old story, so well known in Britain, the United States, Germany and France, and now again in the British Dominions, and, in fact, wherever capitalism reigns: the cost-of-living index is computed so as to misrepresent conditions to the advantage of those who pay wages and the disadvantage of those who have to live on them.

The differences between the actual rise in the cost of living and that officially indicated are often considerable, and usually increase with the duration of the war. In Britain, for instance, the actual cost of living may have risen since the beginning of the war by about twice the amount which the official index indicates. In South Africa the Statistical Bureau of the Trades and Labour Council found that, while the official index indicates a rise of less than 30 per cent between 1938 and the beginning of 1944, actual prices of the goods which the worker buys have risen by about 50 per cent.

If we had a really reliable index of changes in the cost of living in the various Dominions we would undoubtedly find that real wage rates have gone down considerably—by a quarter or even more, between 1938 and 1944.

But this does not mean that there was no rise in real wages at all. Of course, all those who had been unemployed now enjoy a higher real income. This also holds true, on the whole, for those who worked short-time before the war and are now working full-time. It also applies, in many cases, to those who before the war worked in an industry which paid very low rates and who have transferred to one where wages are higher. Then, there are the workers who, while they worked full-time before the war, to-day work more overtime, or a longer day, in the same industry. But the rise in real wages was not as widespread nor as steep as the above figures for real earnings would indicate; there are many workers in the Dominions whose real wages are lower now than before the war.

* * *

But even if we assume that, on the average, real wages have slightly increased in the Dominions, and that family incomes have increased somewhat more (as more members of the family are at work), this does not necessarily mean that the standard of feeding, clothing and housing has improved. Housing standards have undoubtedly deteriorated, even though wages may have risen more than rents (which is not always the case if we include furnished lodgings), because congestion in many industrial towns and districts has grown worse. The standard of clothing has, on the whole, deteriorated, even if wages have risen more than clothes prices; clothing is of poorer quality and therefore has to be replaced more quickly than before the war. Even if the price of a winter coat has risen less than has the worker's wage, and even—which is not often the case—if it gives as much warmth as one bought in 1938, it will still represent a fall in standards if it wears out more quickly. Food standards have deteriorated to the extent that the quality of food-stuffs on the market, the fat content of butter, the quality of meat, etc., has deteriorated, although many workers can consume to-day larger quantities of food, which often improves their standard as compared with pre-war years.

If we take all these factors into account, it is extremely doubtful whether there are many workers who can say that their standard of food, clothing and housing has improved during the war. On the whole, I would estimate that, on the average, it has gone down somewhat; for some groups of workers it has gone down not inconsiderably, while there are others who have enjoyed a certain improvement, as in the case of those formerly unemployed.

* * *

This estimate does not take account of the fact that the workers' physical and nervous strain has increased through the number of additional hours worked, and through the intensification of the labour process. While everybody knows that more hours of work per day require increased consumption for the restoration of the workers' energies, nobody can give any estimates of the actual additional amounts needed. But there is no doubt that these factors further depress the real standard of living of the

workers in the Dominions, below that indicated by a simple comparison of wages and prices.

In the case of the worst-paid workers this means that they suffer even greater hardship than before the war. The worst-off workers in the Dominions are the Africans in South Africa. The South African Trades and Labour Council stated in its report to the Annual Conference in 1943:*

"How exactly the unskilled industrial worker in the Union 'lives' is a mystery to us all, particularly the detribalized native, born and reared in our cities and towns."

The workers are usually adept in solving such "mysteries." If they are unable to do so, this indicates the depth of misery in which some workers live to-day.

* * *

During the war, social legislation has made but little progress and a number of measures safeguarding the health of the workers have been temporarily suspended. Night work for women has been re-introduced in many cases where formerly it was forbidden. Work which formerly was regarded as dangerous for women and juveniles is, under the stress of the war, being performed by them. Child labour has a tendency to increase. The same holds true of accidents.

The workers understand that such suspensions are justified at least in part, in order to increase the war effort. They have given up these benefits, advantages, for some of which they have fought for many years, in the interest of the struggle against the direst menace to all free peoples: Fascism. But it is necessary to mention these sacrifices by the workers in order to evaluate the deterioration in living and working conditions which the war has meant for them.

In addition to the above, the workers have mostly agreed not to go on strike for the duration of the war. Sometimes this relinquishment of such an important and effective weapon has tempted individual employers to profit by the occasion by introducing worse conditions—which they would probably not have dared to do otherwise. While probably only to quite a small

* *The Trade Union World*, June 1943.

extent, this may have contributed further to a decline in the living and working standards of wage earners in the Dominions.

This general deterioration in the workers' standards of living contrasts sharply everywhere—in Australia, New Zealand, Canada and South Africa—with a rapid rise in profits.

* * *

While the masses' living and working standards have deteriorated and the scale of profits has increased—and thus, the purely economic status of the people has deteriorated absolutely and relatively—the workers' position politically, and as regards their own organizations, has improved.

An understanding of the need for the fight against Fascism and against vested interests at home has spread and deepened. The people's resolution has been strengthened to destroy for ever German and Japanese Fascism and imperialism, and to build a better future at home by rendering the monopolists powerless.

One expression of this advance is the general sense of a closer relationship between the peoples of the Dominions and the Soviet Union. Another aspect with which we wish to deal in a little more detail, is the improved position of the trade unions. It is true that during the last war also the official position of the trade unions improved. Trade union leaders not only began to be recognized as human beings but some even took a responsible part in the waging of the war. As that war, however, was opposed to the interests of the workers, this official recognition of the status of trade unionism was employed against the interests of the working class.

During the present war, however, the situation is fundamentally different, as the working class has every interest in the successful prosecution of the war. Therefore, if the new tasks now before the workers can be tackled on the basis of stronger working-class organizations, this will contribute materially to a sound foundation for real working-class progress in the future.

The following table gives some information on the growth of the trade unions in the Dominions.

NUMBER OF ORGANIZED WORKERS, 1938–1943

Year	*Canada*	*Australia*	*New Zealand*	*South Africa*
1938	385,039	885,158	249,231	253,651
1939	358,967	915,470	254,690	264,446
1940	365,544	955,862	248,081	272,487
1941	461,681	1,075,680	231,049	—
1942	578,380	1,182,417	—	—
1943	664,282	1,205,000	214,618	—

In three Dominions the number of organized workers has increased; most of all in Canada where the rise has been almost 100 per cent.

But growth of membership alone is not everything. Membership grew not inconsiderably during the last war also. The important thing is to regard this growth as a basis for the correct kind of action. The sounder the trade union movement, the better the position for strong political action—to-day against Fascism and to-morrow in building up a better life at home—and for close co-operation of all progressive nations and forces in the world, as envisaged at the Conference of Teheran.

2. Labour Conditions in India during the War

Some deterioration of labour conditions during a modern war is unavoidable. And the workers realize that a just war demands sacrifices from all classes of society. But what has happened in India during the present war is something altogether different, not comparable with the unjustified degree of deterioration in living and working conditions in Britain or the Dominions through profiteering.

British imperialism has always treated India as an occupied country. It has done its utmost to make it almost impossible for the Indian people to become our allies in the fight against Fascism. A fatal continuity of oppressive policy characterizes the Chamberlain and Churchill governments. Under such circumstances, measures such as the severe additional restrictions of the right to strike, or the re-employment of women in the mines, appear, and are, oppressive. The imprisonment of numerous labour leaders makes it still more difficult to convince workers and peasants that this is a righteous war and in their interests.

To political oppression is added the incredible mismanagement of economic affairs in the country, with terrible consequences for the workers and peasants. The sharpest statistical expression of this mismanagement—although still inadequate—is the rise in the cost of living for the industrial workers. The official indices for various parts of India have been as follows:

COST OF LIVING FOR INDUSTRIAL WORKERS, 1938–1943

(*1938 = 100*)

Year	*Bombay*	*Ahmedabad*	*Sholapur*	*Nagpur*	*Jubbulpore*	*Madras*	*Cawnpore*
1938	100	100	100	100	100	—	—
1939	100	103	103	103	104	100*	100†
1940	106	111	105	115	118	107	111
1941	115	123	117	126	134	112	123
1942	148	161	157	173	186	133	181
1943	218	291	256	313	303	177	306

Here we can clearly distinguish two periods. The first shows an increase in the cost of living not fundamentally different from that in the Dominions or in Britain; this ends about the middle of 1941. In the second period, the cost of living rises to a degree which far surpasses anything experienced elsewhere during this war, except in some of the countries occupied by German Fascism. Within half a year the cost of living rose by about one-third; during 1942 it rose roughly by half, and in 1943 it was in some cases almost doubled.

How did wages develop? It would be naïve to ask, whether they increased more than, or even as much as, the cost of living; this never happens under capitalism when the cost of living shows a sharp rise. But how much did they lag behind?

Wage statistics for India have always been poor, but they have rarely been so inadequate as during the present war. Information on the development of wages is scanty and very unreliable. For Jharia the official data on wages and the cost of living are as follows:‡

* 1939 equals 100.
† August 1939.
‡ Quoted from a study on labour conditions by S. R. Bose in *The Indian Journal of Economics*, January 1944.

WAGES AND COST OF LIVING IN JHARIA, 1938–1942

(*1938 = 100*)

Year	*Wages of Coal Face Workers*	*Cost of Living*
1938	100	100
1939	104	113
1940	101	122
1941	107	144
1942	118	196

We see that in the first full year of the war real wages were about 20 per cent lower than in the last pre-war year. In 1942 real wages were little more than half of what they were before the war. No figures for more recent years are available; but as 1943 and 1944 brought new steep rises in the cost of living, it is very probable that real wages continued to decline.

In Bombay the wages of workers in the cotton mills developed as follows:*

EARNINGS IN BOMBAY COTTON MILLS, 1939–1943

Year	*Earnings*	*Cost of Living*
1939	100	100
1940	110	104
1941	113	115
1942	139	146
1943	193	212

Up to 1941, earnings seem to have kept up well with the official cost-of-living index. In 1942, real earnings began to decline, even if measured by the official index, and this decline continued in 1943. These workers, however, were among the most favoured ones.

Another indication of the development of wages is given in the regular statistics of "Mofussil Labour and Wages in the Province of Bombay," published annually in the *Bombay Labour Gazette*. According to these figures, wages in the province rose from 1941 to 1942 as follows:

RISE OF WAGES IN BOMBAY PROVINCE FROM 1941–1942

Category of Labour	*Rise in Percentage*
Field Labour:	
Urban areas	6
Rural areas	9

* Quoted from *Monthly Labor Review*, December 1943, and *Bombay Labour Gazette*.

RISE OF WAGES IN BOMBAY PROVINCE FROM 1941–1942—*contd.*

Category of Labour	*Rise in Percentage*
Unskilled (ordinary) Labour:	
Urban areas	8
Rural areas	7
Skilled Labour:	
Urban areas	2
Rural areas	5

While wages rose from 1941 to 1942 by 2 to 9 per cent, the cost of living in the province rose by little less than about one-third. The decline of real wages, according to official figures, amounted in the single year of 1942 to about one-quarter.

In all this we have assumed that the official cost-of-living index accurately reflects the rise in prices for the workers. Actually prices have risen more—real wages have gone down farther than the above few figures indicate. In fact, one can say that, in the face of the extreme hardship existing even before the famine of 1943 as the consequence of the sharp rise in prices during 1942, the wage system has in many places partially broken down. The practice of paying the workers partly in goods, or—which amounts to the same—having them buy some of their necessities from the company at special prices—has been expanded in some provinces so as to include up to 50 per cent of the total expenditure on articles used for the computation of the cost-of-living index. The prices of these articles sold are not artificially raised, as is usually the case under the truck system, but are relatively low as compared with market prices. Otherwise, the workers would simply not be able to do any work at all; their low wages would make it impossible for them to restore their working energies sufficiently. This system of distributing foodstuffs has in the course of time become so widespread and refined—married workers are able to buy more commodities than unmarried ones, and so on—that one would not be far wrong in saying that the money wage system has broken down to an appreciable extent, payment by goods playing an increasing role.

The system of payment by goods gives the employers even greater power over the workers. The slightest irregularity in attendance is often punished by a reduction in the ration the worker can buy. Even if the employer were not allowed by law

to make any wage deductions for alleged infringements of the rules of his establishment, he could, of course, make any deductions in the rations he distributes, as this is his private affair. Thus, a worker receiving the same wage as in the preceding week, but only allowed to buy a smaller quantity of goods in the company stores, is very much worse off; for prices outside the company stores are much higher.

Thus, an "inverse" truck system is introduced, with great injury to the workers' liberty of action, even if it be true that, without this system, real wages would have declined even more. But it is also possible that, without this truck system, real wages would not have declined so much. For the ruling class would have been forced to take other measures to safeguard to some extent the working capacity of the workers.

In a number of cases wages are supposed to increase in accordance with the cost of living, or at least partly so. But this system —with which the workers of many other countries have had such unhappy experiences during the last twenty-five years—works out even worse in India, with the rapid rise of the cost of living. In fact, it would be difficult to decide which of the two systems —the sliding-scale of wages or the truck method we have just described—has the worst effects.

We must add to this calamitous picture the fact that India is probably the only country engaged in the war in which industrial unemployment has not disappeared or at least declined, and in which short-time in some instances is still common.

The average number of workers per day in factories subject to the Factories Act has developed as follows:

EMPLOYMENT OF INDUSTRIAL WORKERS, 1938–1943

Year	*Government and Municipal Factories*	*All Workers*
1938	121,640	1,737,755
1939	132,446	1,751,137
1940	169,163	1,844,428
1941	220,086	2,156,377
1942	299,600	2,280,600
1943	355,873	2,437,246

Only in 1941 did the number of workers begin to rise at a somewhat quickened pace, but even this was not maintained in the following years.

The consequences were appalling when the whole people of India, especially the poorly paid workers and peasants, were afflicted by a famine—a famine which could have been avoided had the government devoted to food production one-tenth of the attention it has given to what it calls subversive activities. The number of Indian people killed by famine through culpable negligence in 1943 was probably more than ten times that of German soldiers killed by the combined British, Dominion and American forces during the same year.

* * *

Under such conditions—to which must be added political victimization—the organizational work of the trade unions has suffered severely.

TRADE UNION MEMBERS, 1938–1943

Year	*Bombay Province*	*Whole of India*
1938	126,455	390,112
1939	159,026	399,159
1940	191,942	511,138
1941	184,517	513,832
1942	183,364	573,520
1943	221,029	—

If we remember that in 1929 the average membership in Bombay was 191,937, the number of trade unionists in 1943 does not appear impressive. We must note that the trade unions are still relatively weak; this is further emphasized by the fact that the number of industrial workers, from which trade unionists are chiefly recruited, has increased by over one-third since 1929.

Progressives of all classes in Britain, as well as in other countries, must therefore view the situation in India with great anxiety.

NOTES ON FOOD AND HEALTH IN THE COLONIAL EMPIRE

(BASED ON GOVERNMENT SURVEYS MADE ON THIS SUBJECT IN 1936, 1937, 1938)

CONDITIONS in the colonies differ in many ways from those in the dominions, and even from those in India. The Colonies are overwhelmingly populated by natives who, in many respects, lived and still live at a very low social and economic level.

There is very little information regarding the history of working and living conditions in the colonies that can be treated statistically. Looking through such sources as there are one gets the impression that, although conditions were poor in former times, they are, on the whole, worse to-day. This view appears to be accepted by the official administration. For instance, the Government of *Sierra Leone* (about 1¾ million inhabitants) states in a survey of health and food conditions:*

"In the seventeenth century the people were of fine physique and lived on a mixed diet and apparently had sufficient animal food, although in no great quantity. In the early and middle eighteenth century it would seem that they still had a satisfactory diet, but towards the end of this period, 1792, the diet appeared to be wanting animal food. In the early and middle nineteenth century the diet was satisfactory, but towards the close of this period it was deteriorating through lack of husbandry in the Colony. . . . The present dietary of the people is surveyed and the evidence shows that it is ill balanced with an undue proportion of carbohydrate, resulting in malnutrition and disease. . . . School children were found to be suffering in considerable numbers from malnutrition."

On the basis of a similar survey for *Basutoland* (665,000 in-

* Sierra Leone, *Review of Present Knowledge of Human Nutrition with remarks of Practical Measures taken by the Medical Department in the past to its improvement in Sierra Leone*, pp. 43, 44. Sessional Paper No. 5 of 1938, Freetown, 1938.

habitants), the official Government Economic Advisory Council, Committee on Nutrition in the Colonial Empire* finds:

"According to residents of long standing, the physique and health of the Basuto to-day is not what it used to be. Malnutrition is seen in every village, dispensary, school and recruiting office. . . . The progressive deterioration in native physique is becoming a subject of considerable comment."

Even the slaves were in some respects better off than the "free" natives of to-day. In a report on conditions in *British Honduras*† (55,000 inhabitants) we read:

"This lack of proper medical attention amongst large groups of men situated in the bush is of great concern to the Medical Department, but lack of finance prevents even elementary sanitary and medical control of these labourers. Captain Henderson, in his memorandum of 1811, mentions that the slaves received medical attention as part of the scheme of employment."

* * *

Broadly speaking, one can safely say that the whole non-white population of the British Colonial Empire is underfed or suffering from malnutrition. Malnutrition and underfeeding lead directly to numerous illnesses and at the same time lower the resistance to others. The chief causes of malnutrition are the terrible poverty of the people and to a certain extent also the low level of education. For malnutrition does not always mean —although it often does—that not enough food is consumed; it may also mean that the diet is unbalanced, that too few vitamins, for instance, are absorbed; and in the case of babies and children it often means that they receive the wrong kind of food.

If we survey nutritional conditions in general we find scarcity of some absolutely essential food-stuffs—due to unplanned production and to general poverty, which does not allow the import of those food-stuffs.

In the above-mentioned report of the Government Committee

* First Report, Part II, *Summary of Information Regarding Nutrition in the Colonial Empire*, pp. 48 and 124. Cmd. 6051, London, 1939.

† British Honduras, *A Report of the Committee on Nutrition in the Colony of British Honduras*, p. 46. Belize, British Honduras, November 1937.

on Nutrition in the Colonial Empire the following statements are made regarding the supply of essential food-stuffs:*

"An abundant supply of water is essential to proper nutrition. In many territories there is at present a scarcity of water supplies. Particularly is this so in some of the *South African High Commission Territories*, the northern parts of *Nigeria* and the *Gold Coast*, part of the East African territories, *Somaliland*, and *Aden Protectorate*, and parts of *Palestine*. In some cases the inhabitants may have to travel long distances from their homes to obtain water. In other cases the whole community is nomadic, wandering from water-hole to water-hole. . . . As regards milk, the most important of all single food-stuffs, only one territory, the *Virgin Islands* (6,000 inhabitants—J. K.), can boast 'an unlimited supply of fresh non-tubercular cow's milk.' In *Somaliland* there is a high consumption of camel's milk and certain African tribes are also large consumers of milk. Almost everywhere else no milk is consumed, or the amounts are so low as to be of little account from the nutritional standpoint. . . . There is also, as already stated, a general deficiency of fats. . . . Again, there is in general too low a consumption of green, leafy vegetables and fruits."

As to vitamins, the lack of which causes so much disease, the general consumption is inadequate.

The terrible state of nutrition is indicated again and again if we study the reports on conditions in the various parts of the Colonial Empire:

Zanzibar† (235,000 inhabitants): "There is a great deal of poverty in the town (of Zanzibar—J. K.) and many find it difficult to obtain regularly sufficient food for their needs. It is not thought that the problem of the town native varies to any extent from that of the village native."

Barbados‡ (188,000 inhabitants): "It is probably true that for years the agricultural population have been unable to feed their families, probably owing to their size, and to the comparatively small wages they receive." It is interesting to see what

* First Report, Part I, *Nutrition in the Colonial Empire*, pp. 30, 31, 32; Cmd. 6050, London, 1939.

† Zanzibar Protectorate, *Nutritional Review of the Natives of Zanzibar*, p. 1, Zanzibar, 1937.

‡ Barbados, *Report of the Committee appointed to consider and report on the question of nutrition in Barbados*, p. 5, Barbados, 1937 (?).

remedy for these conditions is proposed: "We are aware that under present conditions wages cannot be increased. Limitation of families is the only remedy for this." Can one illustrate better the inability of capitalism to increase sufficiently the standard of living of the native people!

*Ceylon** (5·6 million inhabitants): "As malnutrition is widely prevalent in Ceylon. . . ."

Northern Rhodesia† (1·4 million inhabitants): "Government officials have for long been aware in a general way that over considerable parts of the Territory the nutrition of the Native population left something to be desired even at the best and at the worst there have been periods of grave under-nourishment amounting sometimes to actual famine."

Jamaica‡ (1·1 million inhabitants): "In spite of the numerous shortcomings in the available medical knowledge on the state of nutrition, the Committee has come to the conclusion that a very high percentage of the population may be regarded as suffering from varying degrees of sub-normal nutrition, and it is our further opinion that the nutritional state of a distressingly large proportion of the labouring classes must be classed as definitely bad."

St. Vincent§ (57,000 inhabitants): "The fact that malnutrition exists, especially among children, is taken for granted."

The last quotation provides us with the right expression: we can take it for granted that in every colony malnutrition exists, that in every colony under-nourishment exists, that there is no part of the Colonial Empire where large masses of the native population do not go hungry. Sometimes they are under-nourished throughout the whole year, sometimes the degree of under-nourishment varies with the season. In some colonies there are regular famine periods. The above-mentioned report on conditions in *Northern Rhodesia* mentions quite openly the

* Ceylon, *Report on Nutrition in Ceylon*, February 1937, Sessional Paper II—1937, p. 4. Colombo, 1937.

† Northern Rhodesia, *A Report by the Committee appointed to make a Survey and present a Review of the present Position of Nutrition in Northern Rhodesia*, p. 1. Lusaka, 1938.

‡ Jamaica, *Report of the Nutrition Committee*, 1936–37, p. 2. Kingston, 1937.

§ *First Report of the Committee on Nutrition in the Colonial Empire*, Part II, p. 132.

so-called "hunger months" (p. 20) which occur every year. In *Tanganyika* (5 million inhabitants) we hear of a combination of famine years which occur irregularly and hunger months which occur regularly:* "It is recognized that Africans are accustomed to periodic famines. . . . Serious as famines may be, the recurrent annual shortage of food before the new season's harvest is a much more serious question."

* * *

The chief cause of the poor nourishment of the colonial people is their poverty. "There is no doubt in our minds that over a large part of the Colonial Empire one of the most important causes of malnutrition is the low standard of living of many of its inhabitants," writes the Committee on Nutrition in the Colonial Empire.† It adds: "The food-stuffs which they themselves produce, supplemented by money obtained from the sale of produce, wages or some other source, is very often insufficient to provide adequate nutrition in addition to all their other needs. . . . Malnutrition will never be cured until the peoples of the Colonial Empire command far greater resources than they do at present." Or, expressed differently: "But though exact measurement is usually impossible, we have no hesitation in saying that in almost every part of the Colonial Empire the total income of a very large proportion of the population is a long way below the minimum required for satisfactory nutrition."‡ "A long way below the minimum"—these are the actual words of the official British Government Economic Advisory Council!

Reports from various colonies support this charge.

Cyprus§ (370,000 inhabitants): "A considerable number of the rural population are, on account of poverty, definitely underfed."

St. Helena‖ (4,400 inhabitants): "The flax industry cannot afford to increase the wages of its employees, and the low level of nutrition is consequent on poverty."

Barbados:¶ "The poor physique of the average labourer, the

* Tanganyika Territory, *Preliminary Survey of the Position in regard to Nutrition amongst the Natives of Tanganyika Territory*, p. 4. Dar Es Salaam, 1937.

† Part I, pp. 13, 14.

‡ L.c. p. 40.

§ Part II, p. 1.

‖ L.c. p. 124.

¶ L.c. p. 129.

high incidence of tuberculosis and dental caries, and the prevalence of pellagra provide sufficient evidence that diets are seriously deficient. Low wages and large families are the chief causes of this state of affairs."

Jamaica:* "The nutritional state of a distressingly large proportion of the labouring classes and of children is considered by some observers to be definitely bad, the chief causes being adverse economic conditions, poverty, low wages, unemployment, illegitimacy and over-large families."

Dominica† (48,000 inhabitants): "Milk, butter and meat are insufficiently available and, in any case, are too expensive for the poorer labouring classes, who subsist mainly on imported cereals and salted fish. . . ."

Gilbert and Ellice Islands‡ (34,000 inhabitants): "Fresh milk is never obtainable, and fresh vegetables and meat are practically unknown. The general poverty and the high cost of imported foods prohibit their purchase in any quantity."

The most cautious observation upon the connection between poverty and under-nourishment or malnutrition is made by the district medical officer, Cayo, in *British Honduras*. After explaining that there are three groups of people in his district, the Europeans and Creoles, the Spaniards, and the Mayas and Caribs, he subdivides the Spaniards into two sub-groups, the rich and the poor. The poor, he says, live like the third group, the Mayas, of which he says "it is in this group that one finds malnutrition and deficiency diseases most marked."§ Now, why, he asks, do the poor Spaniards live on a level which means hunger and disease? Probably not until after long deliberation does he arrive at the conclusion that this is due, "I think, more to poverty than desire."

* * *

As everywhere when famine breaks out, or when a blockade causes a food shortage, or when general poverty keeps the food standard below the physical requirements, the children suffer most. In the whole of the Colonial Empire healthy native children are rare, an unaccountable phenomenon, an inexplicable occurrence. There is almost no report on nutrition which does

* L.c. p. 130.
† L.c. p. 130.
‡ L.c. p. 133.
§ British Honduras, l.c. p. 27.

not specially stress the fact that children are either suffering from under-nourishment or malnutrition.

*Zanzibar:** "It appeared to be exceptional for a child to receive any food before coming to school. Furthermore, after returning home the children often have to wait some hours before they are fed. . . . Some boys declared that their whole meal of the day was bananas." An examination of school children established the fact that under-nourishment is apparent in nearly two-thirds of the children.

Barbados:† "They (the school-teachers—J. K.) stated as within their knowledge that many children do not have regular meals after Wednesday in each week, and come to school hungry on Thursday and Friday; also, that the weekly wage of the parents received on Saturday is insufficient to feed the whole family for a week."

Grenada‡ (87,000 inhabitants): "To sum up briefly, it may be stated that infants and children suffer from both malnutrition and under nutrition."

British Guiana§ (330,000 inhabitants): "Government Medical Officers in institutions and in the various village and rural areas are probably unanimous as to the general 'malnutrition' prevailing amongst infants."

Swaziland‖ (156,000 inhabitants): "Signs of malnutrition were detected in over 80 per cent of babies in a recent examination."

Falkland Islands¶ (2,000 inhabitants): "Further, there is a well-founded impression that the Falkland Islander as a physical type tends to be below par, and Dr. Cheverton, in 1936, showed that 42·7 per cent of children in the Government School were below normal standard as judged by the Von Pirquet height and weight ratio."

Partly the terrible state of health among the children in the

* Zanzibar, *Nutritional Review*, p. 9, and Zanzibar Protectorate, Legislative Council, *Nutritional Problems of Zanzibar Protectorate*, Sessional Paper No. 10 of 1937, p. 1, Zanzibar, 1937.

† Barbados, l.c. p. 1.

‡ Grenada, *Nutrition*, Council Paper No. 5 of 1938, p. 1. Grenada, 1938.

§ British Guiana, *Report of the Nutrition Committee*, Third Legislative Council, Second Session, 1936–37, Sessional Paper 3/1937, C.S.O. No. 2902/35, p. 18. Georgetown, 1937.

‖ *Report of the Committee on Nutrition in the Colonial Empire*, Part II, p. 124.

¶ *Ibid.*, p. 115.

Colonial Empire is due to the poverty of the parents. Partly, however, it is also due to their ignorance. "The reason for the improper feeding of nursing mothers and children in the colonies are not far to seek. In part it is due to one or other of the various aspects of poverty. . . . In part it is due, at any rate in the *West Indies*, to the high percentage of illegitimacy due to casual unions. But when due allowance has been made for these causes, there can be no doubt that sheer ignorance is one of the chief factors."*

* * *

How does the Colonial Administration deal with this ignorance? Is anything being done to educate at least the new generation? The fact is that only a very small percentage of the young natives attend schools—and in any case, there are very few schools to attend. But even those children who attend school are living under conditions so terrible that they can hardly profit from school attendance. The children are often too hungry to give attention to what is taught to them. In the official report by the *Barbados* administration we read: "We have reason to believe, both from our own observation and from reports made to us, that a large percentage of children fail to take advantage of the education provided for them owing to lack of proper food."† This statement enables us to put the matter in a nutshell: Ignorance is responsible for malnutrition and malnutrition is responsible for ignorance. It is a typical problem of a capitalist-administrated colony. The same "unsolvable problem" finds expression in the official report for the *Zanzibar Protectorate:*‡ "Any scheme for providing adequate nourishment for children attending school is bound to prove expensive as long as the food they get at home falls so far short of what they require for their proper development. Nevertheless, the futility of attempting to teach children who arrive foodless at school and who suffer from chronic under-nourishment is obvious, as most of the time and money spent on their attempted

* *Committee on Nutrition in the Colonial Empire*, First Report, Part I, pp. 128, 291.

† Barbados, l.c. p. 1

‡ Zanzibar Protectorate, *Nutritional Problems*, p. 2.

education is thrown away through the children's physical weakness and resulting inability to concentrate on their school work."

* * *

Malnutrition and under-nourishment are also the cause of the extraordinary high mortality rate among children. Furthermore, malnutrition and under-nourishment aggravate the effects of other diseases for which they are not directly responsible, and they make it easier for them to break out.

From the *Gold Coast** (3·6 million inhabitants) we have a report saying: "Over 70 per cent of persons in the coast town of Saltpond gave evidence of tubercle infection." Or, "The physique and health of the Bechuana (in *Bechuanaland*, 260,000 inhabitants—J. K.) are considerably impaired by imperfect dietary conditions. . . . Recently 33 per cent of recruits for work on the gold mines were rejected as unfit."† *Jamaica* reports:‡ "The average infection rate with hookworm disease (a nutritional disease—J. K.) is about 70 per cent, but this rate varies from 25–30 per cent in smaller towns to 96 per cent in many rural areas." An investigation into health conditions in two communities in Teso, *Uganda* (3·7 million inhabitants), showed that in one 32·3 per cent, and in the other 28·0 per cent of the people suffer from serious deficiency diseases.§ The official report for *British Honduras* remarks:‖ "Hookworm infestation and malaria take an enormous toll; anaemia, due to the above diseases and deficient diet, is very prevalent." Most terrible are the widespread eye diseases such as night blindness or, especially in the case of Ceylon, full blindness. The official *Ceylon* report says:¶ "Blindness is common in Ceylon, and the conclusion has been reached from a study of the histories of one hundred and forty-seven blind children that 66 per cent of them were blind as the result of keratomalacia" (a nutritional disease—J. K.).

The worst sufferers are the children. About twenty-eight

* *Committee on Nutrition in the Colonial Empire*, First Report, Part II, p. 36.
† *Ibid.*, p. 124.
‡ Jamaica, l.c. p. 3.
§ Uganda, *Agricultural Survey Committee*, *Nutrition Report* No. 1—Teso, p. 13, Entebbe, 1937.
‖ British Honduras, l.c. p. 15.
¶ Ceylon, l.c. p. 4.

thousand deaths of infants, or 81 per cent of all infant deaths in *Ceylon*, are due chiefly either to malnutrition and under-nourishment of the infants or their mothers. About one-third of the twenty-eight thousand are due to convulsions, and the official report says:* "Many of these children are born of anaemic, ill-nourished mothers, and nothing is apparent except that the children are weak and puny and pass into convulsions and die." A simple and true description of the short life of so many infants in Ceylon and other colonies. In *Swaziland* almost half of all children die within one year after their birth. "The infant mortality rate during the first year is nearly 40 per cent, half of the deaths taking place within the first two months."† *Gambia*, with 200,000 inhabitants, and *Hong Kong*, with more than 1,000,000, also show infant mortality rates of more than one-third, while in the East African colonies, with about 15 million inhabitants, except for *Uganda*, and in the colonies administered by the South African Government, the administration is cautious enough not to publish any infant mortality statistics at all.

* * *

The effects of malnutrition and under-nourishment can also be clearly observed in the difficulty which the workers experience in going on with their work or in undertaking heavy work. In the official report for *Trinidad* (450,000 inhabitants) it is clearly stated:‡ "The existing diets are of low caloric value and render the consumer unfitted for heavy manual work over long periods. . . . The Director of Agriculture quotes from Dr. Seagar's report in which it is suggested that as a general rule our agricultural labourer is physically incapable of performing efficient work even for the habitual working week of twenty hours, and that the malnutrition from which he suffers inhibits the urge to work." Briefly and clearly expressed, it is officially

* Ceylon, l.c. p 5.

† *Committee on Nutrition in the Colonial Empire*, First Report, Part II, pp. 124, 125.

‡ Trinidad and Tobago, Council Paper No. 104 of 1936, *Report on the Activities of the Nutrition Committee from its inception up to September 30, 1936*, p. 5, Trinidad and Tobago, 1936.

stated that the health of the people is so poor that they are not able to work a twenty-hour week. The Protectorate of *Zanzibar* reports:* "The conditions under which children grow up in the Protectorate go far to explain the chronic unfitness and lack of energy of the adults." Chronic unfitness of the whole population! Such is the condition of health in most colonies.

* * *

Under present conditions, there are only two ways for the colonial native to improve his health: either to fall severely ill and chance his luck in finding space in one of the few hospitals, or to commit a crime and be sent to prison. All reports at our disposal dealing with this problem agree that hospital cases and natives sent to prison put on weight and become healthier. The Committee on Nutrition in the Colonial Empire gives the following examples:

Swaziland: "That the average native dietary is capable of improvement, however, is obvious from the fact that hospital patients and prisoners on institutional diets invariably put on weight."†

Mauritius (411,000 inhabitants): "That degrees of under-nourishment must exist, however, is evidenced by the improvement seen in the weight and general health of prisoners when placed on a regular and adequate dietary."‡

Often the patients have first to be nourished adequately before one can treat the illness for which they have been brought to hospital.

"Their (the hospitals' and dispensaries'—J. K.) wards are often crowded with cases in which healing or recovery cannot take place until the physical balance has been restored by an adequate dietary."§

Those who know anything about colonial hospitals or dispensaries, and particularly about colonial prisons, will shudder at the idea that these are the places where health conditions are best for the natives. There is probably no more impressive fact regarding conditions in the colonies than that imprisonment is

* Protectorate of Zanzibar, *Nutritional Problems*, p. 3.
† First Report, Part II, p. 52.
‡ *Ibid.*, p. 76.
§ *Ibid.*, Part I, p. 37.

an improvement upon free life as far as the native's standard of health is concerned.

Up to now we have studied almost exclusively the conditions of the natives or of coloured immigrants in the Colonial Empire. Let us now consider the conditions among the whites, among the Europeans, some of whom are immigrants and some officials. The answer is contained in a formula which we often read and which we quote here from the Report of the Committee on Nutrition in the Colonial Empire* on conditions in *Aden* colony: "As the social scale descends the diet becomes quantitatively and qualitatively poorer, a fact which is reflected in the extent of deficiency disease in the poorer classes, particularly among children." The poorer the people the worse their conditions, or vice versa; the better situated the people—and the Europeans in the Colonial Empire are almost all better situated—the better their health and nourishment.

The same report says about *Ceylon*:† "Social status to a great extent governs the health and physical condition of the people." In more detail the same experience is explained in the report on conditions in the *New Hebrides Condominium:*‡ "Generally speaking, Europeans have sufficient means to afford an adequate diet, both in quantity and quality, and their standard of health is good. Well-to-do Japanese and Chinese traders are likewise well provided for and are strong, healthy and rarely sick. . . . Bush natives are almost completely out of touch with civilization. . . . Their food is deficient in animal protein and they eat no salt. The birth rate is low, the infant mortality rate high, and it is clear that in the bush only the fittest survive."

But if the standard of living of the whites is sufficient on the whole, does this not mean that at least some not unimportant part of the population in the colonies lives decently? No, because the whites do not form any considerable part of the colonial population; they are a tiny minority of no numerical consequence, and of importance only as economic and political rulers, or more often as the agents of the real rulers living in Britain.

The total population of the British Colonial Empire (de-

* First Report, Part II, p. 55.
† *Ibid.*, p. 72.
‡ *Ibid.*, p. 110.

pendencies, protectorates, colonies, mandated territories, etc.) is as follows:*

Africa	48 million
America	2½ million
Asia	14 million
Rest	¾ million.

Of this total population the number of whites is:

Africa	63,000
America	114,000
Asia	656,000†
Rest	273,000.

Of the total colonial population of about 65,000,000 just over 1,000,000 are whites. In Africa we find only 63,000 whites among 48,000,000 inhabitants. That means that all generalizations made from health reports for natives are, with very slight exceptions in some parts of the world and with almost no exception in Africa, valid for the people as a whole. For the people as a whole are with few exceptions natives.

It is really no exaggeration to say that of the 65,000,000 people living in the British Colonial Empire, almost 65,000,000‡ live on a standard which constantly undermines their health, often means hunger, almost always means either too little food, or food of poor quality and composition. Nor have their children under present political and economic conditions any prospects of life on a higher standard.

* Cf. for these and the following data: Robert R. Kuczynski, *Colonial Population*, London, 1937.

† 605,000 alone in Cyprus and Palestine.

‡ The majority of the white population in Cyprus and Palestine (where the majority of the white population of the Colonial Empire, including the mandated territories, live) is also suffering from malnutrition.

CONCLUSION

SURVEYING in this and the preceding volume the conditions of the workers in Great Britain and the Empire, we have on the whole found a definite deterioration in labour conditions.

While it is not surprising that conditions generally should have deteriorated, it is remarkable that conditions in Britain—in spite of the advantages gained from Empire exploitation and the fact that certain sections of the British working class have benefited from this exploitation—have deteriorated during the last two hundred years, that is, since the beginning of the industrial revolution.

Such development in Britain is not implied in the theory of absolute deterioration, which does not maintain that the conditions of the working class in any one capitalist country must deteriorate absolutely from one trade cycle to another. For instance, in summing up the development of labour conditions in the United States since the turn of the century, I said:*

"If we compare the last period under review, from 1897 to 1940, as a whole, with the preceding period beginning after the Civil War and ending with the nineteenth century, we can say that labour conditions among the industrial working population have probably improved slightly. . . . This slight increase in the improvement of labour conditions of industrial workers was due, on the one hand, to the fact that the ruling class was more than able to balance the advantages gained by industrial labour through the increased exploitation of the agricultural worker and farmer, and by the indirect exploitation of the Central European and Central and South American workers through the export of capital. . . . Living conditions of all workers, under the domination of American capital, taken together, have, therefore, on the average, deteriorated."

* Cf. Vol. II of this *Short History*, pp. 171–72.

I did not add that the development of conditions among industrial workers was an exception from the theory of absolute deterioration, as this theory does not apply to individual factories, industries, regions and even countries, but to the whole of one capitalist society. I have tried to explain this in a study of recent wage theories, as follows:*

"By capitalist society, Marxist theory understands the economic system ruled by a body of capitalists organized in certain respects through the medium of the State. In this way we can distinguish British capitalist society, French capitalist society, American capitalist society. But this society is not identical with the State. The State is the organization which in certain respects unites the capitalists; but the rule of the capitalists extends beyond the boundaries of the State. If British capitalists receive profits from the ownership of Argentine slaughter-houses, Indian jute mills and Chinese mines, then, of course, these enterprises must be regarded as coming within the orbit of British capitalist society.

"When investigating the development of labour conditions in British capitalist society, it is therefore not sufficient to investigate labour conditions in Britain only. It is also necessary to study labour conditions in all those countries where enterprises are controlled by British capital. Labour conditions, under British capitalism, therefore, means labour conditions in Great Britain, in India, in South Africa, in Argentine railways, in Chinese mines, etc."

Although it is not possible to give a picture of the development of labour conditions of all workers employed by British capitalism, the survey of such conditions in Great Britain and the Empire covers practically all workers. For the number of people exploited by British capitalism outside Great Britain and the Empire, though not small, is of little importance as measured by the great number employed under direct British rule.

* Cf. *New Fashions in Wage Theory*, pp. 51 ff. When I wrote this book I believed that labour conditions in Britain during the second half of the nineteenth century were not deteriorating continuously from trade cycle to trade cycle (see also my book *Labour Conditions in Western Europe*, 1820–1935, p. 63). I had not taken into account sufficiently the poor health and nutrition conditions during that time, as I have now done in the first part of this volume.

*

Summing up the results of our survey, we see that labour conditions in Great Britain have deteriorated absolutely from one trade cycle to another; and the same holds good of the various parts of the Empire. As labour conditions in India and the Colonial Empire were much worse than in Great Britain and the Dominions, and as the number of people subject to direct capitalist exploitation in India and the Colonial Empire —including the natives of South Africa—has risen relatively more than that in the rest of the Empire, there was an additional tendency for labour conditions to deteriorate: a relatively increasing number of workers was recruited for capitalist exploitation at the lowest possible level of living and working conditions.

Looking back at the main facts relating to standards of living and working, we find that not all have shown a tendency towards deterioration. Hours of work are shorter, for certain sections of the working class the standard of living has increased, much has been done in the field of accident prevention, the death rate has declined, the general standard of education is higher to-day than one hundred and fifty years ago, and so on. On the other hand, the intensity of work has increased, increased speed-up and the consequent increased fatigue of the worker have counterbalanced or even outweighed progress on accident prevention; if certain sections of labour are better off, the number of workers who are worse off has increased (especially through the increased hold of the capitalist system, with all its consequences, on the people of India); social insecurity has increased in spite of the institution of a limited system of social security legislation; the health of the workers, in spite of the decline in the death rate, has probably not been improved, and nervous and industrial diseases are much more widespread to-day than one hundred and fifty years ago; education has spread, but generally only on a scale required for technical progress in industry and agriculture; and so on. On the whole one can say that labour conditions have tended to deteriorate absolutely and that the abyss between the "two nations," between the rich and the poor, has been greatly widened.

In conclusion I give a rough estimate of the purchasing power of labour in the Empire as a whole:

REAL WAGES IN THE BRITISH EMPIRE*

(By British Trade Cycles)

(1900 = 100)

Trade Cycles	*Empire as a Whole*	*Britain Only*
1880–86	104	80
1887–95	103	91
1895–1903	105	99
1904–08	103	95
1909–14	103	93
1915–23	92	87
1924–32	106	91
1924–32	95 to 100†	—

In spite of generally increased intensity of work, and, consequently, increased need for more and better food, real wages in the Empire as a whole had a tendency to remain stable up to the world war 1914–18. During the world war real wages declined considerably. After the world war they increased very slightly, but remained below the pre-war level.

* Real wages in Great Britain, India, Australia, New Zealand, Canada and South Africa, weighted according to the amount of wages received per worker (estimated for 1900 in shillings: Great Britain 30, India 4½, Australia 35, New Zealand 35, Canada 40, South Africa 25, per week) and according to the size of the population.

† Estimate, including the losses through unemployment additional to those suffered in previous trade cycles in those countries where it was possible to compute only gross real wages.

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